

NATIONAL MUNICIPAL REVIEW

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EDITORIAL COMMENT

On June 30 the editor of the REVIEW sailed for Nicaragua, where he will remain until about January first, assisting in the supervised election for president of that country. During his absence the REVIEW will be in charge of Russell Forbes, the new secretary of the League. As announced in the June issue, Mr. Forbes will continue to devote a part of his time to the directorship of the Municipal Administration Service.

On July first Welles A. Gray became assistant director of the Municipal Administration Service. Mr. Gray received his B.A. degree from the University of Minnesota in 1923 and his M.A. in 1924. During this time he was on the staff of the League of Minnesota Municipalities. Mr. Gray comes to us from the University of Kansas, where he has been teaching municipal government and acting as secretary of the Municipal Reference Bureau.

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The following topics have been selected by the Prize Committee, Professor Edwin A. Cottrell, Chairman, as the subjects on which Baldwin Prize essays may be submitted in 1929:

Regional Planning Commissions.
Special Assessments Versus General
Taxation for Street Improvements.
Racial Influences on Policies of

Municipal Governments.

Objective Examinations in the Civil Service.

The Baldwin Prize of \$100 is offered each year by the National Municipal League for the best essay on some phase of municipal government by an undergraduate student in an American college. Manuscripts must be in the hands of the secretary of the League by May 15, 1929. For further particulars address the secretary.

✱

The Meaning of —All who are ob-
the Recent Cleve- serving the operation
land Charter Crisis. of the city manager
plan in the United States should read
Greater Cleveland for May 3, published
by the Cleveland Citizens League.
The whole number is devoted to an
appraisal of the present charter and the
work of Manager Hopkins and the city
council. Believing that the 73,000
votes cast against the charter last
November, and the 40,000 adverse
ballots in April indicate dissatisfaction
with the present government which
cannot be ignored, the bulletin proceeds
to reveal some reasons for unrest.

It finds a serious and widespread
lack of confidence in the city council,
which is at present neither representa-
tive nor efficient. The revival of the
secret caucus of the majority prior to

each council meeting is an important contributing cause to the low prestige in which the council is held. Furthermore, in violation of the fundamentals of city manager government, council members have been active in urging appointments and special favors for constituents and generally meddling in administration. Devotion to politics rather than to business has congested the calendar with important unfinished business. And finally, there is an absence of the right kind of council leadership. During the four years under the manager charter the majority floor leader has dominated and controlled, not by ability and strength of argument, but by fear and silent threats. Councilmen, who as individuals would seek the improvement of the city government, are as a group subservient to the dominating political leaders.

But not all the fault lies with the council; the manager, too, is to blame for the failure of the new charter to work out in every detail as the framers intended. True, the manager must formulate policies for the approval of the council; but it is not his prerogative to attempt political coercion of the council. When he has presented a clear statement of the facts and the arguments in favor of his recommendations his policy function is ended. On several occasions, the bulletin asserts, the manager has been a leading advocate of debatable issues at elections, which has exposed him to political criticism and has resulted in too little attention to administrative detail. The manager should remember that first and last he is an administrator and not a prophet. Moreover, the present manager's conception of his relation to the council has enabled him to withhold knowledge of big plans for public improvements which he was contemplat-

ing, until such plans were well matured and could only be approved or rejected by the council. This has led to a lack of friendly coöperation between manager and council. Another cause of distrust has been the manager's failure to keep the public informed regarding the administration of municipal affairs. During his four years of office no annual report in printed form has been made.

We have recounted the above at some length in the thought that other cities under the manager plan may be falling into the same trap as Cleveland. Manager Hopkins is known throughout the country as a man of integrity, energy and vision. To many, however, he appears as an excellent type of mayor, of which any city would be proud, rather than as the type of manager which is bound to survive.

The Cleveland Citizens' League respects the manager; but it has little admiration for the council and wisely directs attention to its shortcomings. In charter campaigns too much emphasis is placed as a rule upon the position of the manager. It is forgotten that what is being considered is *council-manager* government and not *manager* government. Few plans concentrate so much power and responsibility in the council as does this one. Unless, therefore, the council be of a truly representative type the plan will be a disappointment. Proportional representation has supplied Cincinnati with a council of high calibre; it has not been so successful in Cleveland. The progressive deterioration in the calibre of men chosen for city councils at successive municipal elections following the adoption of a new charter has raised misgivings in the minds of some as to the ultimate fate of the manager plan.

THE FRENCH PARLIAMENTARY ELECTIONS AND THE NEW ELECTORAL LAW

BY JAMES K. POLLOCK, JR.

University of Michigan

France has restored the single member system with the second ballot for Parliamentary elections, after two experiences with a bogus form of proportional representation. :: :: :: :: :: ::

Scrutin uninominal being very freely translated means "town pump politics." *Ballottage*, the corollary and accompanist of *scrutin uninominal* in France, means "let the politicians decide!" These two weapons in the hands of astute leaders ought to enable them to produce a chamber of deputies to their liking. And such appears to have been the result of the Parliamentary elections held in France in April of this year. Out of an unmistakably clear current of opinion toward M. Poincaré there has emerged a new legislature about which keen political observers are hesitant to prophesy. All sections of the press agree that the elections were a great personal triumph for Premier Poincaré, but what will occur when the party groupings in the Chamber are made, no one can say.

But aside from the general results of the election, how did the new electoral law operate? The law of July 12, 1927, reëstablishing *scrutin uninominal* was pushed through the Chamber despite the known opposition of Premier Poincaré. But rather than have his financial measures jeopardized, he permitted it to become law. The Socialists who favored a real system of P. R. decided in April, 1927, that they preferred a reëstablishment of *scrutin arrondissement* to the *scrutin unique* of 1919, and following much discussion and alteration in the Commission of the Chamber, and several tumultuous

meetings of the Chamber, the law was finally voted by 320 votes to 234. Just how the table of electoral circumscriptions was actually arranged is still a dark secret, and an examination of these circumscriptions will disclose many mathematical inequalities.

GRAVE INEQUALITIES IN DISTRICTS

For instance, the population of the circumscriptions varies from 22,000 to 133,000. Excluding the colonies, there are no less than eighty-six circumscriptions with a population of less than 50,000, and thirty-four circumscriptions with a population above 100,000. In the department of the Seine where there are 59 deputies there are four circumscriptions with a population from 30,000 to 50,000; eighteen with a population from 50,000 to 70,000; twenty-nine with a population from 70,000 to 100,000; and eight with a population from 100,000 to 133,000; It may be mere chance that five of the eight largest districts are Communist strongholds, and that the smallest district elected a Republican of the Left, a sitting member, on the first day. But one is suspicious. The sixth *arrondissement* with 100,000 people has two deputies; the tenth circumscription of Saint Denis with 133,000 people has one deputy. And so on *ad infinitum*. On a mathematical and political basis, therefore, the law is distinctly unfair, even more so than the law

which was in effect from 1889 to 1919.

PLETHORA OF CANDIDATES—WAS THERE
A REAL ELECTION?

Furthermore, there appeared such a plethora of candidates that the first day of balloting resulted in filling but 187 out of the 612 seats to be filled. There thus remained for the *ballottage* a week later 425 contests—truly the fulfillment of the politician's dream. In the week between the two elections the arrangements and bargainings which took place resulted in the restoration in a general way of the *cartel des gauches*; the maintenance of all the Communists candidates; and the general agreement among the parties of the center and right to avoid a splitting up of their vote. The voters were thus given a rather clear choice on the second day between a Communist, a Radical or Socialist, and a Moderate. The results indicate that the right swing of the first day's voting was successfully counteracted by the successes of the Left parties on the second day.

The Frenchman's fondness for the *ballottage* was well rewarded, but now that the results are known, were the people able clearly to express their opinions, and did the election really decide anything which could not have been decided without an election? The government intimated unofficially what the results would be, and although they overestimated the ability of the cartellists, their early estimates were surprisingly accurate. One wonders how the French people, confronted with 3,687 candidates on the first day of voting, and with 1,273 on the second day; with the whole result of the election turning on the deals made in the week between the two days of voting—a matter over which they had no control—how the French nation could possibly express its opinion clearly.

As the *Journal Des Debats* observed: "The cartellists have deliberately preferred the famous 'broken mirror' which hinders the appearance of great political tendencies."

ELECTION ADMINISTRATION NOT
IMPROVED

So far as the law of 1927 is concerned, nothing was done to improve the mechanical side of the election. In the counting, tabulation, and canvassing of the votes there is a laxness which greatly surprises an American. There is also much inefficiency. It takes an inordinate length of time to count the ballots and, although one is not aware of any fraud being committed, to anyone disposed to irregularity, great opportunities still exist. Strangely enough, the Frenchman does not seem to worry about the possibilities of inaccuracy or fraud. Candidates do not seem to be nervous about turning their political fates over to sixteen or twenty men chosen at random from among those present in the voting room. So for the Frenchman, perhaps, the system is all right, but who can know whether it is all right, when some of the papers and paraphernalia of voting can be and are destroyed? Surely the French system is inferior to the splendid English practice, and to the accuracy and efficiency of the modern voting machine.

In one respect at least the new law brings an improvement. According to Article 9 an organization is set up to take care of the printing and distribution of the ballots for the candidates. The candidates may or may not take advantage of the opportunity thus afforded to pool the costs of printing the ballots, but in any event the organization now exists. The next logical step would be for the state to defray the cost of the ballots as has been done in many other countries.

THE CAMPAIGN AND RESULTS

The campaign was not very active nor very interesting. The *affiches electorales*, as in the past, provided much amusement and not a little good publicity for the candidates. Each candidate is given, at public expense, billboards on which he can place his electoral posters. Some candidates who are poor write their own posters; others who are financed by parties or groups indulge in colored posters and printed appeals of all sorts. One anarchist candidate put up a poster in which he exhorted the people not to vote, and especially not for him! Many attractive titles appeared: "The hand in the pocket," "Campaign of lies," "Down with war." As useful as the posters may be, however, the most effective work is

done in the cafés where one can buy one's friend a drink and talk leisurely about his troubles and how they can be ameliorated.

Briefly, the various parties and groups fared as follows: The Communists gained about 175,000 votes but lost thirteen seats; the Socialists remained exactly the same; the Radicals and Radical Socialists lost about thirty seats; while the Left Republicans gained about ten seats and the U. R. D. or Marin Group gained about thirty seats. The balance of power in the Chamber is thus shifted slightly rightward. The elections now being over, the playground has shifted from the country to the Palais Bourbon, where for the next four years one must look for the decisions of the French nation.

PLANNING PLAY AREAS IN PRIVATE SUBDIVISIONS

THE REALTOR'S MOTIVE AND THE CITY'S RESPONSIBILITY

BY C. C. HIEATT

Excerpt of an address before the National Recreation Congress at Memphis. :: :: :: :: :: :: :: :: :: ::

A MAN who is in the subdivision business and who is going to develop a certain tract of land for home purposes is doing it as a business proposition. If he is going to carry on his business, he must see his way clear to pay the cost of his land, the cost of the improvements and all of the utilities that have to be put in, and still reap a fair profit. We can expect that he make only those expenditures which he can recover in some way from the sale of that land. Wide-awake realtors of America today appreciate the fact that they can add to the value of their subdivisions by devoting or setting

aside parts for public use. It is being done continually.

SOME EXAMPLES

It was my privilege the other day to be in Boston and to see a plat of a subdivision there, planned by Olmsted Brothers, which provides for the following facilities for the people who buy in this subdivision. I want you to remember them, because I think the list pretty nearly runs the whole gamut of recreational activities. There are golf courses, a riding academy, bridle paths, a polo field, ten tennis courts, a yacht harbor, casino, swimming pool, piers

out into the bay, croquet grounds and places for quoits. I may have overlooked several other things. It goes without saying that the promoter of this subdivision is going to capitalize on all these things and is going to charge for the remaining land an added price that will cover the part that he is setting aside for public use.

I want also to cite to you another case, not only because I was personally interested, but because it happened here in Memphis, and shows what can be done along this line.

A few years ago some associates and I acquired a tract of land out here in Memphis. It belonged to Mr. Saunders, the originator of the Piggly-Wiggly stores, who had started the erection thereon of a very handsome residence. He spent some \$300,000 or \$400,000 on the erection of what was called here a "pink palace," and then he failed. We bought the land from the receiver in bankruptcy for the purpose of developing a subdivision. The practical question which confronted us was what to do with that pile of granite, of beautiful architecture, half-completed—all of the exterior, but none of the interior. We either had to tear the building down and utilize the land, or find some purpose to which the building could be devoted which would not injure the rest of the property. We could not turn it into an asylum for insane people, for example, because that would have depreciated the value of the adjoining land.

We hit upon the idea to induce the city of Memphis to accept the house and some land around it. In the center of the property Mr. Saunders had developed an artificial lake of some size. From each end ran a stream, so we laid out a plan that would include the lake in a park and provide room for playgrounds and recreation. We tied on to this another area of

land around the "pink palace" and we submitted it to the city along with the palace, offering to give it to them if they would devote the palace to public use as a library or natural history museum or art gallery or something of that kind. They accepted it. Mayor Paine made the statement that we gave the city \$400,000 worth of property, because the building and land actually cost that.

GIFT TO CITY MAKES PROFIT TO OWNERS

I would not stand here and ask you to believe that we were foolish enough to give away \$400,000 worth of property. We didn't give them anything. I think we got back, or we will get back, more than this in the increased value of our property, and eventually we shall be indebted to the city of Memphis for taking the property.

When the property was placed on the market, the highest priced lots were those around the park area and lake. They were the first to be sold, proving it is good business to do such things. Frankly, if we had not succeeded in getting the park commission of Memphis to take over the park area, we should have been put to it to know what to do with it.

THE CITY'S DUTY

I know you will appreciate the fact that a subdivider who has any regard for the future value of his property will hesitate before opening up an uncontrolled and unsupervised playground in the heart of it. There must be supervision, or it will turn out to be a nuisance and depreciate values. So the point I want to make is that the subdivider who expects to do anything of this kind ought to do it in coöperation with the recreation man, or with some expert in recreation, just as engineers are employed to make lay-

outs and devise sewer systems or water systems. The best possible advice should be sought as to where the playground and recreation centers should be located and how they ought to be set up.

If you expect realtors to make gifts of land to the public, you must see that the city in which such land is situated has shown wisdom in accepting the property and will undertake to super-

vise it, because the developer cannot obligate himself to supervise indefinitely.

While I think you can count on realtors throughout America, particularly those who subdivide, to respond cordially and willingly to this program of giving their lands, it must be done in a way that will not deteriorate values, but will tend to enhance values. Only thus can they afford to set aside these spaces for playgrounds and recreation.

"STANDARDS OF FINANCIAL ADMINISTRATION" DEFENDED

BY LENT D. UPSON AND C. E. RIGHTOR

Detroit Bureau of Governmental Research, Inc.

We all covet success, and most of us aspire to efficiency and economy in our practical undertakings, but few of us can agree on the criteria which measure success or efficiency. In the supplement to our February number, Messrs. Upson and Rightor, although aware that few would agree with them, undertook the courageous task of sponsoring certain standards of measurement of a city's financial administration. In the following letter to the editor they make reply to Francis Oakey's critical review which appeared in the "American City" for May. ::

To the Editor of THE NATIONAL MUNICIPAL REVIEW:

IN the May issue of the *American City*, Mr. Francis Oakey is severely critical of our *Standards of Financial Administration*. In his opinion the pamphlet "includes a large number of principles or proposals which are unsound, omits principles which are essential, contains unsound conclusions or assumptions, and in some cases, inaccurate statements."

Ordinarily, contention between authors and their reviewers is an effort that might better be applied to more useful purposes. However, since the condemnation by Mr. Oakey is so sweeping, and since these standards were sponsored and published by the National Municipal League, some com-

ment on the criticism is due to you, and may be of interest to your readers.

We advanced fifty-three standards in the fields of budgeting, revenues, debt, treasury, accounting, and purchasing,—confining the statement of each standard and the accompanying discussion to an average of 150 words. This enforced brevity prompted us to say: "Public finance covers a wide scope of community endeavor, and obviously the criteria of correct practices must be expanded in minute detail if the numerous ramifications of the subject were to be explored to final conclusions." This explanation is our only rebuttal to certain of Mr. Oakey's criticisms that imply failure to cover the subject completely.

We have endeavored a dispassionate

analysis of Mr. Oakey's criticisms and conclude that he considers four of our fifty-three principles unsound, *i.e.*, activity classification of the budget, pay-as-you-go, maximum interest rates on deposits (in part), and consolidation of storage yards. Two others he thinks unimportant, *i.e.*, appointment rather than election of the treasurer and consolidation of treasurer's funds. He enumerates eight additional standards that he thinks should be included, *i.e.*, preparation of a program of financing, execution of this program in coordination with the expenditure program, consideration of surplus or deficit, determination that expendi-

tures come within the purport of appropriations, safeguards over cash and securities, establishment of complete records of cash and debt transactions, prescription of methods of accounting, and preparation of financial statements. All of these we insist we have included either by direct statement or unavoidable inference in the standards given. The charges of unsound conclusions or assumptions, totaling eleven, are leveled at our discussion of principles which he largely accepts. Finally, he assumes four inaccurate statements.

Our analysis of Mr. Oakey's review and our rejoinders are as follows:

CRITICISM

1. "The writers have confined their attention to the expenditure program and have disregarded the program of financing."

2. "No reference is made to a surplus or deficit which may exist at the beginning of the fiscal year. . . ."

3. Disagreement is taken with the use of the activity as an appropriation unit.

4. "The article appears to sanction the maintenance of the more important funds, referring to various kinds of special funds. The reviewer believes that, with a few exceptions, all special funds, consisting of city revenue set aside for special purposes, should be abolished. The exceptions are sinking funds and special assessment funds."

5. It is stated that we have emphasized the control of expenditures and failed to give place to control over revenues.

6. "No reference is made to the necessity of determining whether the expenditure comes within the scope and purpose of the appropriations to which it is proposed to charge it."

REPLY

1. We defined budget procedure as that "by which the estimated income is correlated with estimated expenses and the latter authorized. . . ." "The estimated costs of this program should be balanced with available or expected income. . . ." "The value of budgeting current income and outgo has been discussed."

2. Does a budget that balances expenditures with "available or expected income" require especial consideration of surplus or deficit?

3. A matter of opinion. We do not urge the activity as the final unit of appropriation. We do think that the budget should be stated in terms of principal activities for each department.

4. We stated that such funds are created by law—"sometimes with very little reason back of such legislation." We added that the maintenance of more important funds is justifiable, enumerating bond funds, special assessment funds, trust funds to meet the cost of pensions, gifts for specific purposes, etc.

5. We have said that the budget "should be balanced with available or expected income." We should have repeated this provision, and added "currently, as well as at appropriation time."

6. "Procedure should be established to insure the funds being spent in accordance with the wishes of the appropriating authorities" and "no order from a department and upon a vendor is valid unless it is approved by the city controller, . . . (who) . . . charges the amount

CRITICISM

7. "It is proposed to charge the amounts of purchase orders against appropriation accounts and to correct the accounts when the actual amounts are known. These entries involve a large amount of labor, which is unnecessary, since control can be maintained by means of an encumbrance file."

8. "It is also proposed that quarterly allotments be submitted to the controller for approval. To the reviewer it seems that approval of allotments is an important executive function having to do with the general direction of the expenditure program and involving questions of policy. These functions properly belong to the chief executive, assisted by a budget director, rather than to the controller. . . ."

9. The reviewer disagrees with the proposal for pay-as-you-go "wherever and to whatever extent possible."

10. Exception is taken to the proposal: "Periodically, depositaries should be selected upon the basis of highest interest rates bid."

11. Two standards for the treasurer's office—appointment rather than election of treasurer, and consolidation of treasurer's funds "are relatively unimportant."

12. "No reference is made to those main principles which are of the utmost importance, namely:

(a) "The establishment of safeguards consisting of controls over (1) cash balances; (2) securities held as investments; (3) unissued and cancelled bonds of the city; (4) paid coupons; (5) the collection of revenue, including interest on investments; (6) disbursements.

(b) "The establishment of complete records of cash receipts and disbursements, and of transactions in city debt."

13. That "defalcations can occur only by actually absconding with funds in the treasurer's possession," is an inaccurate statement. Many kinds of defalcation can occur, even when the most effective accounting control is established (as enumerated).

14. "... the duties of the controller are described as twofold, namely: first, record keeping, and second, auditing. In this definition two of the controller's most important duties are omitted, namely, (1) prescribing the methods of

REPLY

against the appropriation of the department.

7. The encumbrance is the important thing; how it is accomplished is a detail. Our experience supports the use of the ledger in preference to the file.

8. Right. The allotments should be reviewed by the chief executive. In actual practice we believe the estimates should be examined by some one with time and interest to devote to financial details,—preferably the controller in all except those very few cities which have or can have budget directors.

9. A matter of opinion. We venture to predict that large cities at least will come more and more to the acceptance of this principle.

10. Right. We should have said "highest rate consistent with safety." If the city stands in no likelihood of collecting either its interest or principal, highest rate would be mere sophistry.

11. The first, possibly; surely not the latter.

12. We assume the treasurer to be a custodial officer. As such, his transactions will be under the complete control of the controller, for which we provide. "Such control contemplates a complete, accurate, and current record of the several general classes of financial transactions,—current, capital, special, trust, etc. This includes adequate records of general departments including quasi-independent boards, etc., utilities, bonded debt and debt margins, tax limits, special assessments, pension funds, etc."

13. We believe an adequate accounting and financial control will preclude such possibilities.

14. We continue to hold that the controller stands in a dual relationship to the government. In his first position he is auditor, must use discretion in authenticating the acts of his co-workers, and should in no wise be responsible to

CRITICISM

accounting; and (2) preparing the statements of financial condition and financial operations."

15. "It is not the function of auditing to pass upon the wisdom of expenditure nor to determine policy."

16. There is general criticism of the discussion following our standards that accounts should be centralized in the controller's office; that municipal accounting should be maintained on an accrual basis, and that controlled inventories of the city's supplies, materials, equipment and real estate should be maintained.

17. "The writers propose that payrolls be checked by the civil service authorities. This would mean unnecessary duplication of labor, since payrolls must be checked in the controller's office on the basis of advices of employment, etc."

18. "It is stated that the existence of a properly prepared operating statement and balance sheet is in itself a criterion of a sound accounting procedure. In the opinion of the reviewer, this is an unsound conclusion, since many balance sheets and operating statements are recalled which were unsound in form and content, misleading in terminology, and based on an unsound accounting procedure."

19. Exception is taken to our definition of a cash audit as differing from an operation audit.

20. "The reviewer is not familiar with an operation audit."

21. "... a proposal that all orders be entered upon appropriation ledgers as encumbrances and be paid promptly when the invoice is presented. It does not appear that this proposition has a relation to centralized purchasing, since the proposal could be put into effect whether centralized purchasing existed or not."

22. Exception is taken to our proposal that

REPLY

them; in his second position he is a record keeper, and should be responsible to those who make final use of the records. Prescription of accounts and preparation of records are only incident to these two divergent capacities. "A corollary of such records (kept by the controller) is a report to the public setting forth this information in concise and understandable form."

15. We insist that to audit properly, the auditor must be a free agent, using his discretion as to whether the expenditure is in accordance with law, whether consistent with the order or contract, whether prices are in accordance with the market, etc.

16. Perhaps our discussion of these points is poorly arranged. However, the purpose of these standards—complete control records and information—seems clear.

17. We think our proposal will stand careful analysis. It is also a requirement of the *Model Charter* of the National Municipal League.

18. We think that they are criteria,—if "properly prepared."

19. We accept the correction, although the definition has nothing whatever to do with the obvious intent of the text.

20. It is believed high time that our cities provide an organization and procedure—which latter, for convenience, we term an "operation audit"—to weigh against the cost of public services the value of each to the community.

21. We did not say that it did have any relation to centralized purchasing. We said that such procedure was a test of efficient centralized purchasing. And we still believe it is.

22. The practicability of this proposal can

CRITICISM

centralized storehouses and storage yards should be under the control of the purchasing authority.

We will readily concede that any standards of financial administration suggested by ourselves or by others would probably fall short of what someone else would consider a perfect statement. Mr. Oakey has disagreed with a few of our standards, has suggested that certain of them might be amplified, and that perhaps certain others might be added. These suggestions we appreciate, though we do not agree with all of them. Beyond this, we feel that his review indicates a failure to understand what we

REPLY

only be determined empirically.

thought was a reasonably clear statement, and an unwillingness to allow for limitations on space.

However, in the difficult and contentious task of setting up standards for evaluating the numerous activities of city government, discussion and disagreement is expected. Out of it all may come a gradual clarifying of principles that will be generally accepted.

Very truly yours,
LENT D. UPSON.
C. E. RIGHTOR.

PROPORTIONAL REPRESENTATION
IN GERMAN CITIES

BY ROGER H. WELLS

Bryn Mawr College

An account of the law and the practice of P. R. in German municipal government, 1919-1928. :: :: :: :: :: :: ::

AMONG the current proposals for American municipal reform, proportional representation occupies an important place. However, in spite of the example set by Cleveland, Cincinnati, and several smaller cities, the subject is one which still remains largely in the discussion stage. This situation is in striking contrast to that found in Germany where proportional representation is the rule and not the exception. The following article gives a brief survey of the present status and working of the *Verhältnisswahl* in German cities.

By the Weimar constitution of 1919, proportional representation is made mandatory not only for the federal and state legislatures but also for town and city councils as well.¹ This constitu-

¹ *Reichsverfassung*, Art. 17.

tional requirement is scarcely to be regarded as an innovation for it but marked the logical outcome of a movement which extended almost as far back as the days of Andrae and Hare. In fact, the writings of Considérant, Andrae, Hare and Mill in other countries were soon paralleled by those of a number of German publicists beginning with Burnitz and Varrentrapp in 1863.² Notwithstanding this literature, proportional representation did not arouse

² For a brief account of these writers and of the historical development of proportional representation in Germany, see Ernst Cahn, *Das Verhältnisswahlssystem in den modernen Kulturstaaten* (Berlin, 1909), pp. 34-46. See also the standard American work by C. G. Hoag and G. H. Hallett, *Proportional Representation* (New York, 1926), pp. 162-181.

any considerable interest in Germany until the closing decade of the nineteenth century. At that time, the question passed from the theoretical to the practical stage and was incorporated in the platforms of a number of political parties, beginning with the Socialists in 1891.¹ Strong agitation also developed in several German states such as Baden and Württemberg, but it was not until 1901 that the first positive results were secured. Between that date and the outbreak of the World War, proportional representation was authorized for the choice of some of the members of the Hamburg and Württemberg state legislatures, for municipal elections in Baden, Bavaria, Oldenburg, and Württemberg, and for a wide variety of public and semi-public bodies such as industrial and commercial courts, chambers of commerce, social insurance committees, etc.² Moreover, as a part of the war-time movement for electoral reform, a federal law was passed in August,

1918, providing that the members of the *Reichstag* from the great cities and industrial territory should be chosen by proportional representation. Finally, the Weimar constitutional convention was itself selected by the *Verhältnisswahl*, and, with the adoption of a definitive federal constitution by that body, the present fundamental rule came into operation.

Having spoken briefly of the historical development of proportional representation in Germany, one may now inquire as to the existing legal provisions on the subject. Article 17 of the *Reichsverfassung*, after stipulating that the *Volksvertretung* or *Landtag* of each state shall be directly elected "according to the principles of proportional representation," contains the following sentence: "The principles governing the election of (state) representatives also apply to municipal elections." There are three points to be noted with reference to the wording of this sentence. In the first place, it applies only to *Ortsgemeinden*, a term which includes both cities (*Städte*) and towns (*Landgemeinden*) but which does not include other local authorities such as counties (*Kreise*), provinces, *ad hoc* districts (*Zweckverbände*), etc.³ As a matter of fact, state law has often made proportional representation applicable to the higher local units as well, while for Prussian counties and provinces, there is a constitutional provision to this effect.⁴ In the second place, the federal requirement pertains only to the *Gemeindevertretung*, i.e., to the popularly elected town or city council.⁵ This excludes for example, the *Magistrat* in Prussian cities, a body which is chosen by the council but which exer-

¹ See the Erfurt program of 1891 in Felix Salomon, ed., *Die deutschen Parteiprogramme* (3d ed., Berlin, 1924), ii, p. 127. Proportional representation was also favored in the 1895 program of the South German *Volkspartei* and in the 1910 union program of the *Fortschrittliche Volkspartei*. See Salomon, *op. cit.*, ii, pp. 98, 102. The municipal program (1899) of the National Socialists advocated the optional introduction of proportional representation. See Cahn, *op. cit.*, p. 36, n. 2.

² See the table given in Hoag and Hallett, *op. cit.*, pp. 282-283. The detailed legal provisions governing municipal proportional representation may be found in the following works: Ernst Walz, *Das badische Gemeinderecht* (Heidelberg, 1914); K. Weber and K. A. v. Sutner, *Bayerische Gemeindeordnung* (10th ed., Munich, 1913); and Hugo Lindemann, *Die württembergische Gemeindeordnung* (Stuttgart, 1912). In Baden, Bavaria, and Württemberg, proportional representation was mandatory for municipal elections; but in Oldenburg, its use was optional. See *Handwörterbuch für Kommunalwissenschaften* (6 vols., Jena, 1918-1927), ii, p. 314.

³ See the commentary by Gerhard Anschütz, *Die Verfassung des Deutschen Reichs* (5th ed., Berlin, 1926), p. 89.

⁴ Prussian Constitution of 1920, Art. 74.

⁵ Anschütz, *loc. cit.*

cises legislative power as well as serving as the collegial executive. Here again, state law, local ordinance, and political practice have gone far beyond the letter of the federal constitution. In many states, where executive offices, especially unpaid offices, are to be filled by election of the council, or where council committees or mixed administrative committees (*Verwaltungsausschüsse*) are to be formed, proportional representation is either required or permitted. Finally, it will be noted that the federal mandate does not require any special type of proportional representation for conciliar elections, but only that such elections shall be according to the principles of the *Verhältnisswahl*. Hence, it would be entirely permissible to use the Hare system of the single transferable vote as is done in Cleveland. But as a matter of fact, the list system is universally followed, thus conforming to the prevailing practice in continental Europe.

Now a list system is one which admits of many variations in detail. The question may, therefore, be raised as to the extent to which such variations are recognized in the municipal government acts (*Gemeinde und Städteordnungen*) of the several states. Here one is immediately impressed by the striking similarity which prevails as between state and state. Everywhere candidates for the office of councilman are nominated in party or group lists signed by a certain number of qualified voters, the number of which varies from five to seventy depending upon the state, and, in some instances, varying within a given state according to the population of the city. These tickets or *Wahlvorschläge* must be filed with designated municipal officials not later than a specified date, ranging from ten days to four weeks before the election.¹ The election laws and regu-

lations fully recognize that nominations will be made by parties or political groups, but no attempt is made to control the methods by which a given party makes up its own list of candidates. All such matters remain within the jurisdiction of party rule and practice.²

On election day, the voter must vote for one party and only for that party. He may not alter the official order of the candidates' names as determined by the nominating petition, nor may he strike out or write in names. In

from the city as a whole and not from separate wards or districts. Hence, the nominating lists of the parties are city-wide tickets. To this rule, there are a few exceptions. For instance, the central city council of Berlin is chosen from fifteen districts but with a provision whereby members-at-large may be elected by the surplus votes from the several districts. Under certain conditions, Württemberg permits a city council to determine if its members shall be elected from districts. See *Gemeindeordnung* of 1906, Art. 11-13.

The election laws likewise prescribe various other details such as the filing of declarations of acceptance on the part of the persons nominated, the inclusion of information with reference to the occupation and address of candidates and petition signers, the prohibition of the nomination of the same candidate on different party lists, the official examination of the legal qualifications of candidates and petitioners, etc. In most states, municipal by-elections are not authorized to fill vacancies. When a seat in the council becomes vacant, the next candidate on the party list automatically succeeds to the place. These and other provisions are in large measure patterned after the federal and state election laws, the texts of which may be found in Walter Jellinek, *Die deutschen Landtagswahlgesetze* (Berlin, 1926).

² The extra-legal phases on the nominating process will be dealt with in a subsequent article on parties and partisanship in German cities. The law, however, indirectly recognizes the rôle which the party committees play in the nominating process by the various powers which it vests in the signers of a nominating petition who are in fact usually the party committeemen and party leaders.

¹ It should be noted that councilmen are elected

fact, the ballots normally do not show the full list of nominees of a given group.¹ The voter sees only the name of the party or an equivalent *Kennwort*, the serial number of the ticket, together with the names of the first three or four candidates (*Spitzkandidaten*). Such is the system of "bound lists" (*gebundenen Listen*), a system which prevails in almost all German municipal elections. It contrasts with the "free list" plan whereby the elector has discretion as to the individual persons for whom he votes, voting for names on different tickets (*panachage*) or writing in "wild" names, *i.e.*, persons who have not been nominated. The free list system prevailed in the municipal elections of Bavaria and Württemberg before the Revolution, and it still exists for those cities of Württemberg which have less than fifty thousand inhabitants. But for all Bavarian cities and for the larger municipalities of Württemberg, the voter is now bound to the party ticket, but may, under certain circumstances, cumulate his votes within the list which he supports.²

After the casting and counting of the ballots, the next important question

¹ The "Australian" or official ballot is steadily supplanting the privately prepared party ballot although the official envelopes still continue to be used in most of the states having the official ballot.

² In Bavarian cities with under twenty thousand and in Württemberg cities with over fifty thousand inhabitants, the voter has as many votes to cast as there are councilmen to be elected. He may cumulate his votes giving not more than three to any one candidate, but all such preferences must be expressed within the regularly filed list of nominees of one party. With the great increase in the size of the electorate since the war and with the resulting development of more highly organized party machinery, the bound list form of proportional representation has almost everywhere replaced the earlier free list types.

relates to the division of the seats among the respective parties. In most of the states, the apportionment is made according to the d'Hondt quota method, the quota being determined in the following manner.³ The number of valid ballots received by each party is successively divided by the integers one, two, three, four, etc. One seat is then assigned to each of the highest resulting quotients until all the places are filled, the last quotient for which an assignment is made being the d'Hondt quota.

The exact procedure will be made clearer by the following illustration. Assume that there are twelve councilmen to be elected, and that there are four party tickets in the field receiving respectively 3,219, 720, 558, and 2,901 votes. Thus, Ticket A receives five seats, Ticket B, one seat, Ticket C, one seat, and Ticket D, five seats. The quota in this particular illustration is the twelfth highest number or 558. Dividing this quota into the number of votes received by each list gives the same

³ For a good explanation of the d'Hondt method and of other methods of determining quotas, see Hoag and Hallett, *op. cit.*, pp. 412 ff. The states which do not use the d'Hondt method in the election of municipal councilmen are Anhalt (simple quota), Mecklenburg-Strelitz (quota method determined by local statute) and Saxony (simple quota). In the city of Berlin, the d'Hondt method is used in the choice of the members of the twenty borough councils (*Bezirksversammlungen*), and for those members of the central council chosen by the transfer of surplus votes from the fifteen electoral districts. The simple quota (*i.e.*, the total number of valid ballots cast in the entire city of Berlin divided by 225, the total number of members to be elected to the central council) is used to determine how many central council members are chosen from each of the fifteen electoral districts. Nowhere in German municipal elections is the uniform or automatic quota employed as is the case in the election of the *Reichstag* and of several state legislatures.

Divided by	Ticket A	Ticket B	Ticket C	Ticket D
1.....	3,219	720	558	2,901
2.....	1,609	360	279	1,450
3.....	1,073	240	186	967
4.....	804	180	139	725
5.....	643	144	111	580
6.....	536	120	93	483
Quotients arranged in numerical order from high to low	1st seat 3,219 (A)		7th seat 804 (A)	
	2nd " 2,901 (D)		8th " 725 (D)	
	3rd " 1,609 (A)		9th " 720 (B)	
	4th " 1,450 (D)		10th " 643 (A)	
	5th " 1,073 (A)		11th " 580 (D)	
	6th " 967 (D)		12th " 558 (C)	

results in distribution of seats,—five, one, one, five. Under the d'Hondt method, if a ticket has fewer candidates than seats to which it is entitled, the seats in question are given to the lists having the next highest numbers. If all the seats but one have been assigned and there is a tie as between the remaining high numbers, the decision is made by lot.

The distribution of seats is also affected by *Listenverbindung* or combination of lists, a practice which is authorized by law in nine states.¹ The legal requirement necessary for a combination of lists is that nominators of the tickets concerned shall file a written declaration that they have agreed to combine their lists. This declaration affects only the counting of the ballots; as before, each voter continues to vote for his own party ticket. But when the ballots are counted, the combined lists are treated as a single list in determining the first

assignment of seats. The seats won by a given combination are then subdivided among the lists within it in proportion to their votes. The advantages of *Listenverbindung* are two-fold. In the first place, the parties concerned may thereby win a larger number of seats than would happen if each ticket stood alone. Four or five small groups singly might each fail to secure a seat, but, when combined, there are likely to be two or three seats to be divided among the members of the combination. In the second place, since one party seldom attains a clear majority of the council members, and since blocs or coalitions must usually be formed in any case after the election, the practice of *Listenverbindung* may assist the formation of such blocs. Thus, both in the elections and in the actual work of the council, a "Bürger" bloc composed of the Middle and Right parties may oppose the Socialists and Communists.

Having spoken of the law of proportional representation in German cities, one may now inquire as to the practice of the same. The effects of the *Verhältnisswahl* may be examined from three points of view,—that of the voter, the political party, and the actual conduct of municipal government.²

² The following paragraphs are based largely

¹ Bavaria, Bremen, Brunswick, Hesse, Mecklenburg-Strelitz, Saxony, Schaumburg-Lippe, Thuringia, and Württemberg. In Berlin, *Listenverbindung* may be used only for the city-wide tickets and not for the district nominating lists for the central council. However, for the Berlin borough councilmen (*Bezirksverordneten*), the combination of lists is permissible. For a general discussion of *Listenverbindung*, see Hoag and Hallett, *op. cit.*, pp. 424-426.

From the standpoint of the voter, the bound list system used in most German cities has the great advantage of simplicity. The elector's task is limited to placing a cross or mark in the party circle. Consequently, the number of invalid ballots is small, usually under one per cent except when city and state or federal elections are held on the same day but under different rules. At such times, the proportion of spoiled ballots may reach almost three per cent.

As to whether proportional representation increases the voter's interest in the suffrage and thereby lessens non-voting, the answer is less clear. According to the theory of the *Verhältnisauswahl*, every valid ballot will count unless cast for a group too small to achieve the quota. It is, therefore, to the advantage of each party to make a vigorous effort to "get out the vote." But such campaigns do not always produce the desired results, for the voting record in German municipal elections varies from 44 per cent (Mannheim, Baden, 1926) to 92.5 per cent (Schmölln, Thuringia, 1925).¹ True, the general upon interviews with public and party officials and persons in private life, and upon the personal observations of the writer. At the present time, there is much dissatisfaction with proportional representation in Germany, either with the principle of the system or with the methods by which it is carried out. For a brief but trenchant criticism, see Otto Koellreutter, *Die politischen Parteien im modernen Staate* (Breslau, 1926), pp. 67-71.

¹ The writer selected at random twenty-four municipal elections and found that the average vote was 71 per cent, the two cities named above being the minimum and maximum. The elections chosen were from six different years between 1919 and 1928 and involved cities in four states whose populations varied from a few thousand to more than six hundred thousand. Some large cities had good voting records and some did not; the same was true of the small municipalities. Where federal and city elections were held together, the municipal vote tended to be somewhat larger than was the case otherwise.

average is better than that of American cities but, nevertheless, Germany has its problem of non-voting and there are numerous complaints of *Wahlmüdigkeit*, especially in the less important county and provincial elections where the vote sometimes falls to 25 per cent. And this happens with, or in spite of, proportional representation. What is the explanation?² It is claimed that there are too many elections,³ that the novelty of voting is wearing off and that the bitter experiences of the post-war years have left many people apathetic or disgusted with things political, and, finally, that there are large numbers of voters who object to the bound list system.

This last point merits further examination. It is argued that, in local elections, the voter cares more for the personality of the candidate than for the party or political program involved.⁴ Yet his choice must be registered for or against the party as a whole, and there is no one candidate whom he may especially support as his own personal and local representative. The tickets are nominated from the city as a whole by a party process over which the average municipal voter has little or no control. Except for the *Spitzkandidaten*, even the names of the party nominees are not known to him; but on election day, he must support the party slate in its entirety. Such is the case against the bound list system. On the other hand, the free list plan with its greater complexity, its increased opportunity for spoiled ballots, and its encouragement of party "*Zersplitterung*," has its practical difficul-

² On this point, see Karl Menne, "Bekämpfung der Wahlmüdigkeit," *Zeitschrift für Kommunalwirtschaft*, xvi (Feb. 10, 1926), pp. 136-137.

³ Judged by American standards, German elections are not numerous.

⁴ *Kommunale Umschau*, (Feb. 5, 1925), pp. 8-10; and Menne, *loc. cit.*

ties. In spite of these objections, however, the writer believes that the free list type of proportional representation should be used in the smaller German municipalities (those with under fifty thousand inhabitants) as is now the case in Württemberg. For the larger cities, bound lists should continue to be employed, but some concession should be made to the need for local and personal representation. This could take the form of the district system now used in Berlin, or single-member constituencies might be introduced with provision for the transfer of surplus votes to city-wide tickets.¹

From the standpoint of the parties and the politicians, proportional representation appears in a more favorable light. The bound list system is naturally preferred to the free, since it gives the party machine greater control over the electoral process. The chief complaint which the great parties have against the present form of the *Verhältniswahl* is that the nominating process is made too easy. As a result, numerous small groups and "*Splitter-*

parteien" enter the election, groups which are too weak to achieve any great measure of success themselves and which only weaken the major parties. Thus in Hagen, Westphalia, there were fourteen tickets filed for the 1924 election of the municipal council. How to avoid this multiplication of *Splitterparteien* is indeed a question. So far as *Landtag* elections are concerned, attempts have been made in several states to increase the number of signatures required for the nominating petitions of new parties, and to make the validity of the nomination contingent upon the depositing of a certain sum of money which is to be forfeited to the state if the party fails to win at least one seat. But laws of this sort have recently been declared unconstitutional by the federal supreme court, and just what steps will now be taken is not yet clear.² Thus far, no similar legislation has been enacted to penalize new parties and groups in municipal elections, and, in the opinion of the writer, such action is not desirable. National party politics already play a large enough part in city affairs and, therefore, the spontaneous formation of purely local groups for local problems, a thing that is possible under the present laws, should not be hindered. Moreover, as long as the bound list system prevails, dissatisfied municipal voters should not be denied the right to put forward their own ticket of candidates.

¹ The single-member constituency plan would, of course, have to be "according to the principles of proportional representation." To secure this result, it would first be necessary to ascertain the total number of votes cast in the entire city and then find the quota necessary to elect one councilman. To be elected from a district, a candidate must have received a plurality of the votes in that district which should at least equal the quota as determined above. All surplus and unused votes would then go to the city-wide tickets as is now done in Berlin.

These suggested reforms will, of course, not accomplish everything. For example, it is claimed that the free list plan would *ipso facto* lessen non-voting. (See Menne, *loc. cit.*) In reply, it may be pointed out that most Württemberg cities now operate under the free list system and still there is complaint of *Wahlmüdigkeit*. At the 1925 municipal election in Tübingen, the university ward polled only a 41 per cent vote. (See *Kommunale Umschau*, i, pp. 422-423.)

² Among the laws held unconstitutional was that of Hamburg described in the writer's article, "The Hamburg Election," *NATIONAL MUNICIPAL REVIEW*, January, 1928, pp. 16-17. The decision of the federal *Staatsgerichtshof* was handed down on December 17, 1927, in consequence of which a new election of the Hamburg legislature was held on February 19. In the previous article, it was stated that forfeit fees were required only in Hamburg and Saxony. To these states should have been added Hesse, Mecklenburg-Schwerin and Mecklenburg-Strelitz.

Apart from the ease with which nominations are made, the party leaders are in general satisfied with the existing form of proportional representation. They emphatically deny that too little attention is paid to the personality and qualification of the candidates nominated and to the principle of local representation. "A great party cannot afford to put up poor nominees. Besides, with *gebundenen Listen*, it is possible to make up a 'balanced ticket' so that all elements in the party and also local districts will be adequately represented. The free list plan is apt to destroy all such carefully arranged balance." There is force in these arguments, but they do not tell the whole story. Candidates A, B, and C at the top of the party ticket are doubtless able men, but it is by no means certain that Candidate X, whose name stands tenth on the list, is qualified to be a councilman. And when it comes to the party substitutes or *Erstazmänner* who automatically succeed to office when vacancies occur, the lack of qualifications is even more apparent.

The effect of proportional representation upon the actual conduct of municipal government is more difficult to appraise. That city government is far more politicized now than before the Revolution is generally admitted, but it can hardly be said that the *Verhältniswahl* is a major cause of this situation. Fundamentally, the change resulted from the introduction of universal suffrage in place of the old restricted electorate with its three-class system of voting, etc. Formerly, municipal government was a thing of the privileged classes; now the full force of democratic ideas released by the Revolution beats upon it. Proportional representation does, of course, emphasize the party point of view, but it is doubtful if it makes the cities more political than they would be under a plurality or

majority system of election. On the contrary, by lessening the chances of having the municipality wholly controlled by one party, by Communists or Socialists or Catholics or Nationalists, each with its own class or confessional attitude, proportional representation probably works in the direction of moderating party excesses. But it does mean that the work of the council must be carried on by more or less unstable blocs and coalitions and that the atmosphere of the council proceedings is distinctly political, sometimes even positively belligerent. This, however, has not seriously impaired the efficiency of the administration for two reasons: first, because a great deal of the work of the council is done through committees or by the *Magistrat* where such an organ exists; and second, the permanent executive officials, the real power under the old régime, still hold their place in the new.

One can, therefore, say that German cities since the Revolution have not succumbed to the "spoils system," although the writer has found a number of cases which have a distinctly "spoils" flavor. When the council elects the paid and unpaid executive officers, due regard is paid to the party affiliations of the candidates and to the distribution of the positions among the dominant parties in the council.¹ Where men are equally well qualified from a technical point of view, party membership will be the deciding factor. As between a good candidate who is "right" politically and a superior candidate without such a recommendation, it is not unusual for the former to be

¹ It makes little difference in practice whether or not proportional representation is formally prescribed by law for the selection of the paid and unpaid executive officers. The spirit of proportionality is there in any case and may be carried out through gentlemen's agreements between the parties making up the majority coalition.

preferred. But this practice does not lead to the "spoils system," because it is not good politics for a party to suggest incompetents for the important municipal administrative positions, and because, when once appointed,* the holders of such positions enjoy security of tenure and are protected against arbitrary removal. True, the *Bürgermeister* or *Baurat* or *Schulrat* may find himself made the subject of a *Misstrauensvotum* (vote of want of confidence) by the council, but this vote is without legal effect and can do no more than make the official more sensitive to conciliar opinion and less insistent upon carrying out his own preconceived ideas of what is good for the city. Thus municipal bureaucracy persists, but it can be and is tempered by political winds.

In conclusion, one may speak briefly of the present outlook for proportional representation in German cities. Notwithstanding the various defects and shortcomings already mentioned, there is little doubt that the *Verhältnisswahl* is and will rightly continue to be a permanent feature of municipal government. There are few indications that the present multi-party system in Germany is passing away,¹ and, so long as it remains, some form of proportional representation is very desirable. The practical question, then, is one of improving the existing system or of finding another to take its place.

¹ See Ernst Jäckh, *The New Germany* (London, 1927), pp. 46-49.

THE RELATION OF BUILDING HEIGHT TO STREET TRAFFIC

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A mathematical study that anyone can understand. It is a new viewpoint and will arouse discussion. The editor invites comment. :

"Thus far," said President Coolidge, in a public address a year or two ago, "the victories have all been on the side of the skyscrapers, the elevators and the ever-increasing congestion of population,"¹ implying that by common consent the skyscrapers and elevators are the important factors in this ever-increasing congestion. And the pictorial advertisement of a large electric company in a current periodical carries the headline: "Only electric cars will clear the streets as fast as skyscrapers fill them. Transportation in large cities . . . is a race between the street car and the skyscraper."

¹ NATIONAL MUNICIPAL REVIEW, July, 1926, p. 398.

A MATHEMATICAL APPROACH

Without attempting for the moment to appraise the element of truth in the advertisement, it may be pointed out that the much-harassed street car is also racing against the birth rate, against immigration, the drift to the city, and many other pursuers more aggressive even than the skyscrapers. And the President, likewise, in his statement quoted above, could with equal accuracy have exactly reversed the order of the terms and spoken of increasing congestion, elevators and skyscrapers; for this has been the order, historically and causally, at least as frequently as the other. The pos-

sibility of stating the same thing in exactly opposite sequence suggests the difficulty of looking impartially at both sides of the question of building height.

And the difficulty appears to increase when we attempt to consider the effect of building height on one particular form of congestion, that of street traffic, particularly pedestrian traffic; for here there have been two opposite schools of opinion. The one group holds that if twice the amount of building and of business is concentrated on a given area, we must expect to have approximately twice as many people on the streets and sidewalks, in the process of going to and from these buildings. The other group holds that since high buildings involve the location of large numbers of offices and businesses on interior halls and corridors, the patrons of these establishments do much of their traveling on the interior of the building instead of on the sidewalks; and that, therefore, tall buildings must have the effect of reducing sidewalk pedestrian traffic. Between these two extremes are varying shades of opinion, based in the main upon varying attitudes toward the question of skyscraper buildings in general rather than upon any demonstrated facts in connection therewith.

Now, if it were a question of politics or philosophy, one would expect such conflicting opinions and would be prepared to accord perhaps equal rationality to all of them. But in a problem involving concrete and measurable elements of space and number, such diversity of opinion is strange, and the apparent willingness to allow the discussion to continue merely on a basis of opinion stranger still. The present paper, therefore, while not undertaking to solve the problem by any means, will attempt to apply some concrete mathematics at one particular

point, where a little plane geometry should go further than any amount of opinion.

THE PROBLEM

But throughout the following analysis it will be necessary to keep in mind, in the first place, that we are discussing the effect of one factor only, namely, differences in building height, independent of the effects of changes in population, transportation facilities, direction of growth, and all of the numerous other factors that influence street traffic. All of these factors will be left out of consideration, not because they are unimportant—for if the reasoning in this study is sound, they are by far the most important factors—but because we shall be making sufficient progress for the time being if we can demonstrate clearly the results due solely to differences in height.

In the second place, in discussing changes in the amount of traffic, we are speaking of *total traffic*, such as would be reflected in traffic counts for twenty-four hours or other period. And by average amount of traffic under the different conditions discussed, we mean the result that would be obtained for a given street or section by making traffic counts at various points, for twenty-four hours or other period, and taking the average of the counts reported. The result would indicate the average number of pedestrians or vehicles traversing the streets and sidewalks of the district in a given time.

Changes in this average amount of traffic, it is true, will not necessarily throw much light on problems of maximum density of traffic at particular times and places, such as at transportation terminals, at the exits of office buildings at five o'clock in the afternoon, or at the theater entrances and exits in the evening,—except as

these maximums must necessarily have some relation to the total number of people frequenting a given area. Indeed, the peak load that pours out of an office building at five o'clock in the afternoon must have a very close relation to the average amount of business transacted in the building throughout the day—and this amount of business, in turn, must be pretty closely related to the average number of people patronizing the occupants of the building throughout the day or month or entire year. And so sufficiently complete traffic data in representative cities and districts would probably show a fairly definite relationship between the averages and the peaks of traffic. But be this as it may, our analysis here will be concerned solely with *total* traffic and *average* traffic for blocks, streets, and areas.

In the third place, we must necessarily speak only of comparative amounts of traffic under one condition or another, since there can be no absolute figures under any condition. There is no specific amount of traffic on streets with five-story buildings; so that in calculating the effect of increases in height to ten or twenty stories, we can only say that the traffic would be increased so much, in comparison with whatever it might have been with a five-story height.

If these limitations on our treatment are somewhat more rigid than are commonly imposed on discussions of the subject, we trust that some compensation will be found in the greater precision of results which we shall hope to attain.

MAIN STREET

We shall first discuss the problem in relation to pedestrian traffic; and in order to get at the factors involved, let us start with a simple situation, namely, Main Street itself. If we had

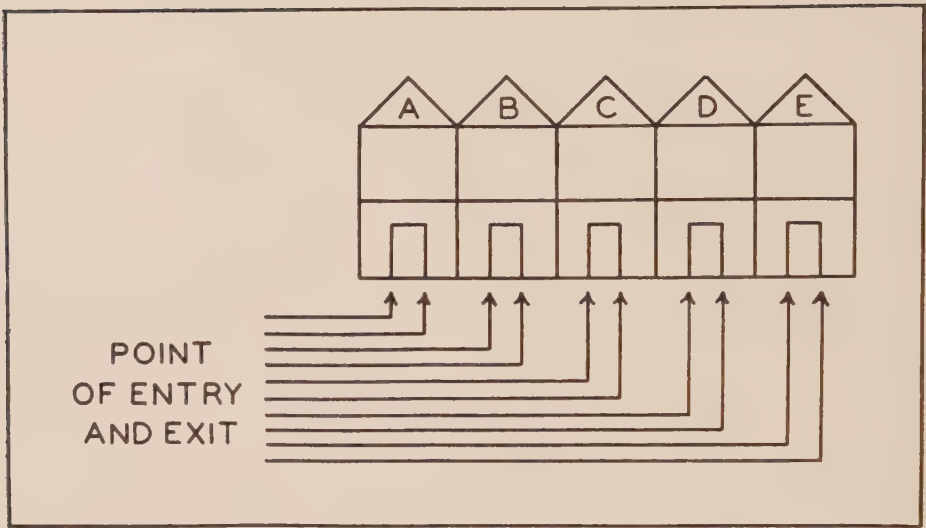
a "pure type" of Main Street city, where all the business was located on one street and all the traffic to and from this business traversed this one street, we trust that no one would be guilty of supposing that the building height could have *any effect* on pedestrian traffic, one way or the other. And this for the following simple reason:

Suppose Main Street is confronting the problem of a daily entrance and exit of ten shoppers (which may represent ten hundred or ten thousand or any other number), who will patronize ten different establishments; that the problem is whether to have these ten establishments built in the form of five two-story buildings, with one establishment on each floor, or to limit the height and have the establishments spread out over ten one-story buildings. If the former alternative is adopted, namely, a two-story height, the pedestrian traffic will be as indicated in Figure 1. We are distributing the patronage equally among the ten establishments, are pouring the shopping public in at one end of the street in the morning and out at the same end in the evening, and are assuming that each person goes to one establishment and back each day. One may make any variations he wishes in number and distribution of patrons, in points of entry and exit, may pour the shoppers in from both ends of the street and a crossroad, if he wishes, and *provided only that he makes the corresponding assumptions in both of the situations below*, he will arrive at the same result, graphically shown in Figure 1.

A total pedestrian traffic of fifty, divided by five frontages equals an average of ten pedestrians passing any one frontage, or other unit, per day.

But if it be decided that an average pedestrian traffic of ten is too great,

FIGURE 1



Number of
pedestrians

Destination

Traffic count
(That is, the number of times
one pedestrian passes one
building in going to and
returning from his destina-
tion.)

2	A	2 *
2	B	6
2	C	10
2	D	14
2	E	18
		—
Total		50

* It should be noted, for purposes of arithmetic accuracy, that the pedestrian who goes to building A only passes *half* of one frontage in going and half again in returning, or *one* frontage on his round trip; the pedestrian who goes to building B, likewise counts $1\frac{1}{2}$ frontages each way, or 3 frontages on his round trip, and so on.

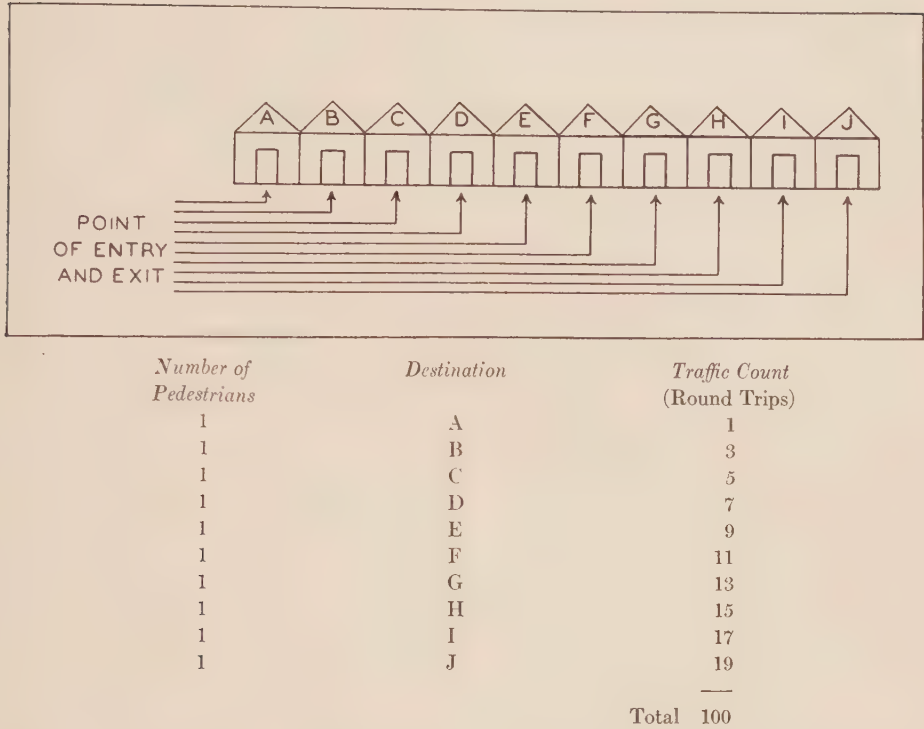
and the height is limited to one story, with the result that the same amount of building and business is spread out over ten frontages in the form of one-story buildings, the traffic will be as in Figure 2.

A total pedestrian traffic of 100 divided by ten frontages equals an average of ten pedestrians passing any one frontage, or any one point, per day. In short, the traffic on a two-story street has not been reduced one

iota, or one pedestrian, by reducing the buildings to one story.

And it would be a one-story type of reasoning which could arrive at any other result. For if we took a ten-story building and laid it on its side along the street, the effect on pedestrian traffic would be that persons bound for the various floors, instead of taking the elevator, would walk along the sidewalk from the first to the tenth or other floor and back again,

FIGURE 2



passing all the intermediate floors in going and coming and adding one to the traffic count each time a pedestrian passed one floor. So that, while the sidewalk over which the traffic is distributed is ten times as long as before, the number of buildings each pedestrian must pass, or the distance he must travel, in getting to and from any point is also ten times as great as before, leaving the number of pedestrians *passing any one point in a given time* exactly the same as before. In this Main Street situation, those who hold that in skyscraper buildings vertical elevator traffic merely replaces horizontal sidewalk traffic are essentially right.

CITY BLOCKS

But this simple solution breaks down in the ordinary situation where

we are dealing with square or rectangular blocks instead of a single linear dimension. For example: Suppose we have a square block with ten one-story buildings on each side, or 40 buildings in all, and that the town or district is confronting a quadrupled amount of business and building accommodations. The alternatives are to build four times as high on the same area (that is, 40 four-story buildings) or to limit the height to one story and spread the town over four times the area (that is, 160 one-story buildings), or any intermediate combinations of height and area. But for purposes of illustration, we shall take the two extreme alternatives.

If height limitation is resorted to, and the 160 establishments are spread in the form of 160 one-story buildings over four square blocks, with ten

buildings per block front, and if we suppose the 160 patrons distributed evenly among these establishments and making a daily trip to and from each one, the traffic will be as illustrated in Figure 3. In the illustration, however, instead of counting the pedestrian trips to each separate building and back, we shall count by blocks; assuming, by the law of averages, that all pedestrians going to points in any one block front will average a trip to *the middle* of the block and back. The figures on the graph indicate the average length of trip (measured in number of buildings or frontages passed) of pedestrians going to points in each block. We are here, as in the previous illustration, pouring the traffic all in at one point; but this is only to avoid complicating the graph and the simple calculation which it illustrates. If the reader enjoys "figuring," he may pour the traffic in from all points of the compass and assume any number and distribution of patrons, and provided only that he makes the corresponding assumptions in both situations, he will get the same results.

A total traffic of 6,400 divided by 160 buildings equals forty pedestrians passing any one building, or other point, per day.

If the other alternative were adopted and, instead of one-story buildings spread over four blocks, the *same amount* of building accommodation and of business were concentrated in the form of four-story buildings occupying one square block, would the density of pedestrian traffic remain unchanged or would it be quadrupled? Assuming the same number, distribution and daily habits of patrons as above, that is, the same conditions as above except that we have buildings four times as high, occupying one-fourth as much area, the traffic would be as in Figure 4.

A total traffic of 3,200 divided by forty buildings equals eighty pedestrians passing any one building, or other point, per day. In short, the traffic has neither remained unchanged nor been quadrupled; but has been multiplied by *two* only. And, if the reader will note that two is the square root of four, and will recall the proposition of plane geometry that similar surfaces vary as the squares of their like dimensions, he will realize that no other result could be expected.

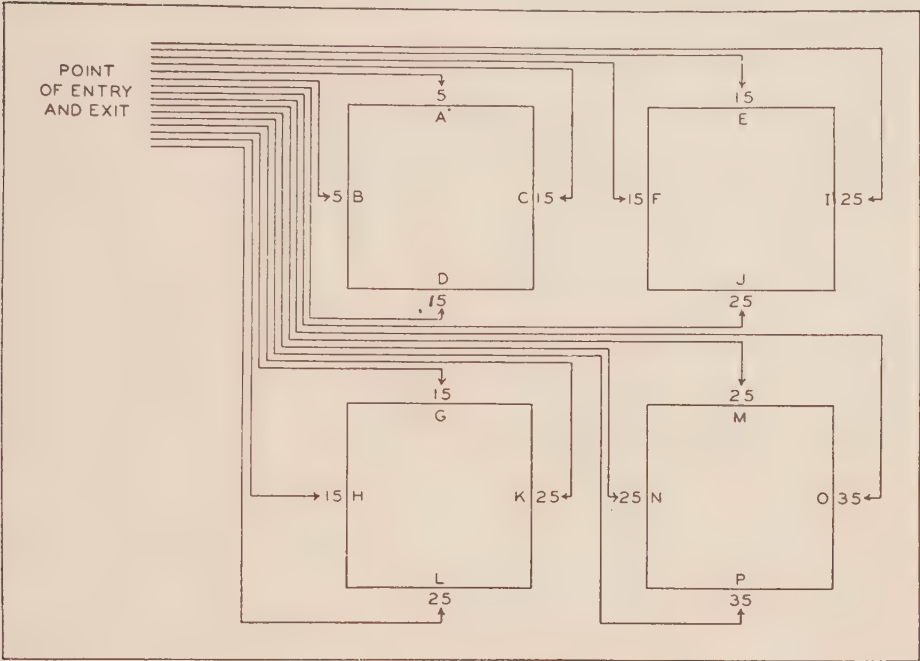
Indeed, for the mathematical reader, it is needless to go further with this article. And we may lay this proposition of geometry on the table without fear of its being trumped by any amount of expert opinion or any number of traffic counts. If, however, the application of the theorem is not clear, a simple mathematical analysis will make it so; such an analysis will involve four separate steps.

MATHEMATICAL ANALYSIS

The first is the assumption that, *with a given amount of building accommodation, any difference in height will be reflected in an opposite, and approximately equal, difference in area occupied.* This means merely that a given quantity of building accommodations in the form of twenty-story buildings will occupy approximately half the area that they would if spread out in the form of ten-story buildings—an assumption that would fit the actual situation probably ninety times out of a hundred, since the purpose of erecting tall buildings is ordinarily to get a larger amount of building on a smaller area. With the aid of this commonplace relationship, we may convert *height* variations into *area* variations and speak thereafter in terms of the relations of areas.

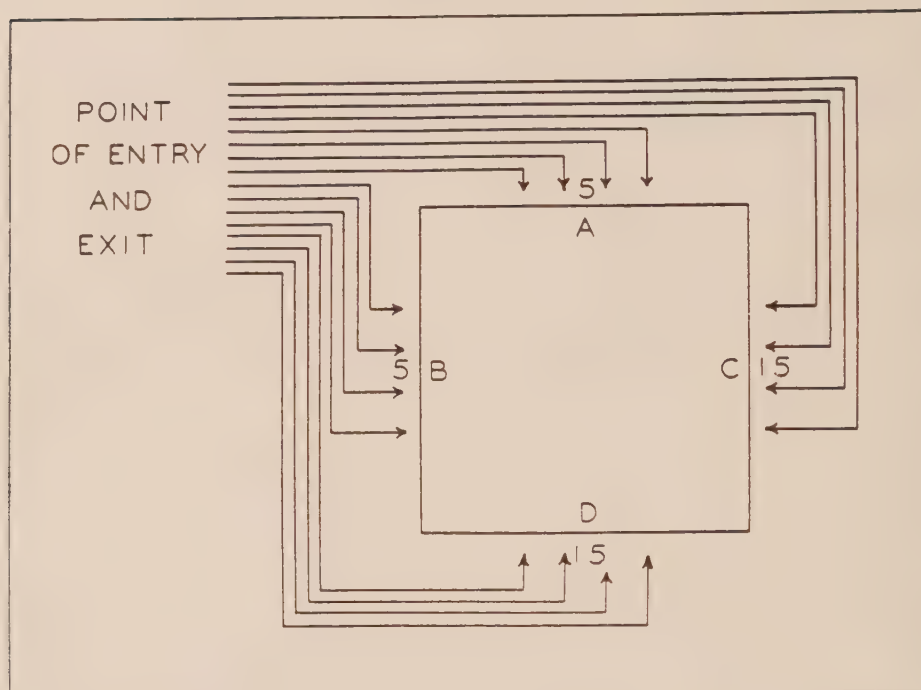
The second step is the application, to these area relations, of the theorem

FIGURE 3



<i>Number of pedestrians</i>	<i>Going to block indicated</i>	<i>Average length of trip</i>	<i>Total traffic created (That is, the number of times one pedestrian passes one frontage.)</i>
10	A	5	50
10	B	5	50
10	C	15	150
10	D	15	150
10	E	15	150
10	F	15	150
10	G	15	150
10	H	15	150
10	I	25	250
10	J	25	250
10	K	25	250
10	L	25	250
10	M	25	250
10	N	25	250
10	O	35	350
10	P	35	350
160			3,200
	Multiply by 2 for round trip		2
	Total		6,400

FIGURE 4



<i>Number of pedestrians</i>	<i>Going to block indicated</i>	<i>Average length of trip</i>	<i>Total traffic created</i>
40	A	5	200
40	B	5	200
40	C	15	600
40	D	15	600
<hr/>			<hr/>
160			1,600
Multiply by 2 for round trip			2
			<hr/>
			3,200

that areas of similar shape will vary as the squares of their like dimensions; or since it is the *dimensions* that we shall be primarily concerned with, we may turn the theorem around and say that *like dimensions of similar areas will vary as the square roots of the areas.*

The third step consists in noting the commonplace fact that the bounding streets and sidewalks of square blocks, or any blocks of uniform shape are the "like dimensions of similar areas."

The total length of sidewalk will not conform to the theorem, because, with the interior, intersecting streets of any area larger than a single block, each segment of the area has its own equal complement of streets and sidewalks. One square block has four linear blocks of sidewalk; two square blocks have eight linear blocks of sidewalk, etc. But the point is, that a pedestrian does not walk around all the blocks in a given area before starting for his

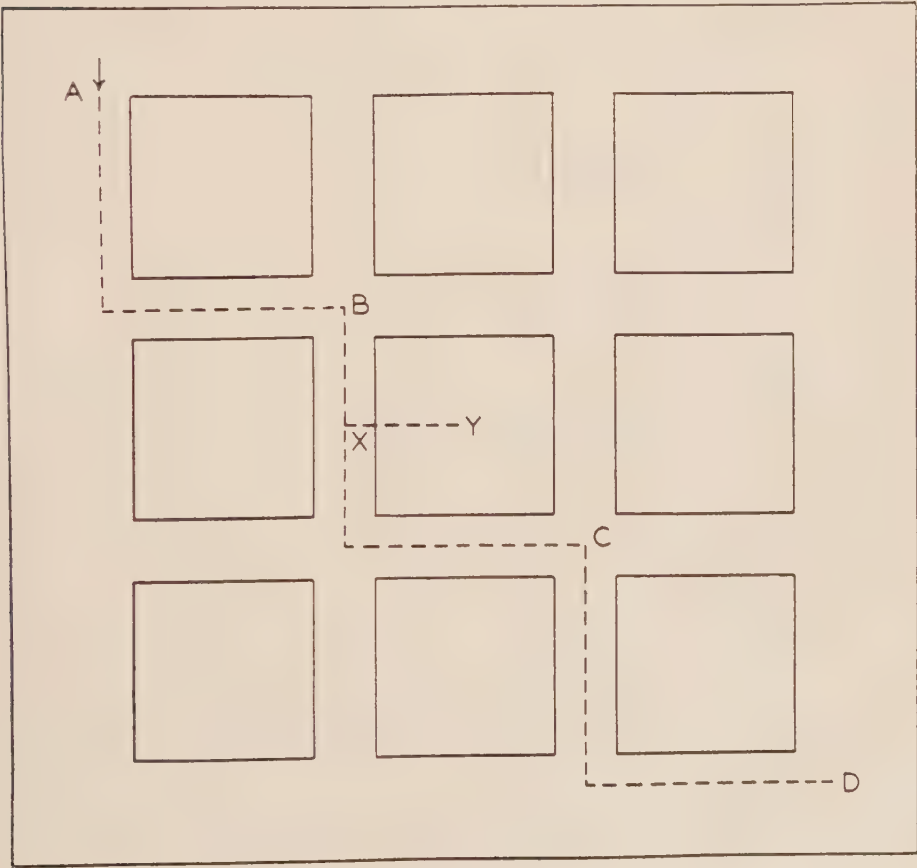
destination; if he did, our analysis would break down; and to the extent that any pedestrian circumnavigates a superfluous number of blocks in steering a homeward course, the mathematical precision of our results will be impaired. But ordinarily the pedestrian takes the shortest route available under a given configuration of streets, and therein traces in each trip one or more dimensions of some definite area.

The length of any one trip, as compared with a corresponding trip to a corresponding point on a larger or smaller area, will vary as the square roots of these areas. So that the pedestrian is here confronted with the dis-

covery that a trip over a territory twice as large as another is not twice as long as a corresponding trip over the smaller area, but only as much longer as the square root of the one area is greater than the square root of the other. We have found it so difficult to convince pedestrians of the soundness of this diagnosis, that we may be pardoned for resorting to illustrations.

In Figure 5, from *A* to *B* (the diagonally opposite points of a square block) is two linear blocks; but from *A* to *C* (the diagonally opposite points of an area of four square blocks) is not four times as far but only *twice* as

FIGURE 5



far, namely, four linear blocks. AB is to AC , as $\sqrt{\text{one square block}}$ is to $\sqrt{\text{four square blocks}}$. Likewise, from A to D (the diagonally opposite points of an area of nine square blocks) is not nine times as far as AB , but only *three* times as far, namely, six linear blocks,—and three is the square root of nine.

Or from A to B , looking at B as the central point of a four-block area, is two linear blocks. Y marks the central point of the nine-block area. On this particular configuration Y cannot be reached by street; but if the pedestrian, after walking around from A to B and down to X , will climb the fence there and cross the lawn to Y , he will have walked exactly three linear blocks. Now 2 is to 3, as $\sqrt{4}$ is to $\sqrt{9}$!

If one walks around a single square block, he walks four linear blocks. But he may walk around an area twice as large, namely, four square blocks, and he will have walked only twice as far, that is eight linear blocks. Or he may walk around an area nine times as large, namely, nine square blocks, and he will have walked only three times as far, namely, twelve linear blocks, because the square root of nine is three.

Or, to get away from the square configuration, let us suppose that a boulevard is cut diagonally through our nine-block area above, and that we are dealing with the triangular area ADC , as in Figure 6.

From A to B (the hypotenuse of a triangular area containing one-half of one square block) is 1.4 linear blocks; but from A to C (the hypotenuse of a triangular area containing $4\frac{1}{2}$ square blocks) is 4.2 linear blocks, or only *three* times the distance from A to B . The areas are as $\frac{1}{2}$ to $4\frac{1}{2}$, and their square roots .7+ to 2.1+, or as 1 to 3. And so, go where he will, the pedestrian

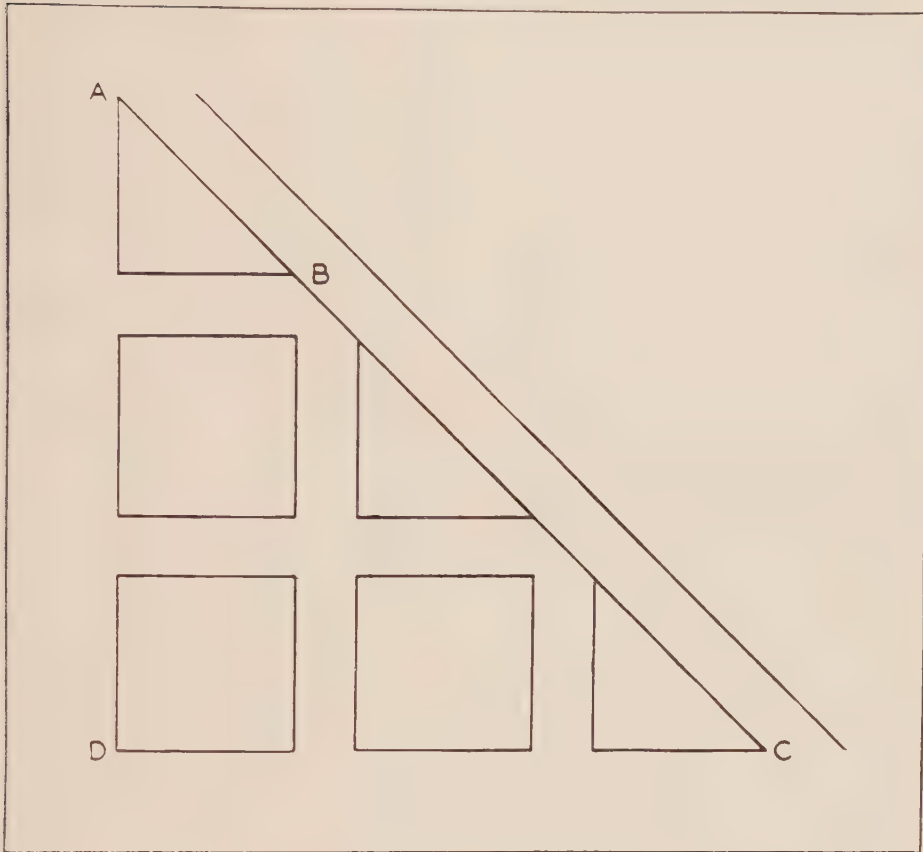
cannot escape this relationship, as long as he travels along the *like dimensions of similar areas*.

Having (a) converted height relations into area relations, (b) applied the geometric theorem that like dimensions of similar areas vary as the square roots of the areas, and (c) noted that pedestrian trips must necessarily constitute like dimensions of similar areas, we have but one more step to take, namely, (d) to convert these relationships into their net effects on traffic. With the aid of the first three steps, the fourth becomes easy.

If the building height is multiplied by four and the area reduced to one-fourth of what it would otherwise be, with the number of patrons remaining unchanged, obviously there must be four times as many people going to and from the given area as before. And if, of this increased number of pedestrians, each one travels just as far and is on the streets just as long as before, it is evident that the density of pedestrian traffic on this smaller area must be four times what it was before, or what it would be with the lower building height. But to just whatever extent the average pedestrian trip is shortened, and each pedestrian spends less time on the street, to this extent the density of traffic will fall short of being quadrupled. Now it is just *this extent* which the analysis above enables us to compute. The average length of trip is reduced by a factor equal to the square root of the factor of increased height.

But if the amount of traffic is multiplied by four (on account of the decreased area), and divided by the square root of four (on account of the shortened average trip), the net result is to increase the amount of traffic by the other factor of four, which necessarily is also the square root of four. This amounts merely to saying that if

FIGURE 6



a thing is multiplied by ten and then divided by five, the net result is to multiply it by two, since the factors of ten are five and two. So if a thing is multiplied by four, and then divided by the square root of four, the net result is to multiply it by the square root of four.

All this may be condensed into a simple formula, in which a will equal amount of traffic with a given building height, b equals the factor of increase in building height, and x equals the amount of traffic with the increased building height.

$$\text{Thus, } x = \frac{ab}{\sqrt{b}} = a\sqrt{b}.$$

The portion of this traffic *attributable* to the increased height will then, of course, be x minus the original traffic, or $a\sqrt{b} - a$.

Or we may say the same thing in a different form by comparing directly the square roots of two different heights. If c and d represent two different building heights, the traffic *attributable to the height factor* will vary as $\sqrt{c} : \sqrt{d}$. As between a given amount of building accommodation and business in the form of one-story buildings or four-story buildings, the traffic will vary as $\sqrt{1} : \sqrt{4}$, that is, will be twice as great in the second case. As between one-story and nine-story building

heights, traffic will vary as $\sqrt{1} : \sqrt{9}$, that is, will be three times as great in the second case. As between five-story and fifty-story building heights, traffic will vary as $\sqrt{5} : \sqrt{50}$, that is, will be 3.1 times as great in the second case.

THE COMMON SENSE EXPLANATION

Having illustrated the results of differences in building height by the hypothetical pedestrian counts at the beginning of this paper, and then analyzed the mathematical process that makes these results inevitable, perhaps it will be helpful now to drop both hypothesis and mathematics and get at the common sense of the whole thing. For after all that is all it is.

In the Main Street situation, we found that increases in building height had *no* effect on amount of traffic; while in the case of square, rectangular, or other regularly-shaped blocks, an increase in height was reflected in an increase in amount of traffic equal to the square root of the factor of increased height. Why should the layout of streets have anything to do with the relation of building height to traffic? For the reason that, with a given number of pedestrians to be provided for, the density of traffic they create will depend upon two things: the *area* over which they are spread and the *average length* of the trips they make.¹

Now, if ten one-story buildings are pyramided into one ten-story building, the change in area occupied and area of sidewalks "abutted" will be the same, regardless of the configuration

of streets in the neighborhoods. But the other determinant, average length of trip, will by no means be the same, as has been demonstrated above—and therein lies the difference. The pyramiding of buildings on Main Street offsets the reduced area by an *equal* reduction in length of pedestrian trips. The pyramiding of buildings in an area of rectangular blocks offsets the reduced area by *less than an equal* reduction in length of trips, and therefore leaves a net increase in the amount of traffic per unit of sidewalk.

And the reason for this is likewise simple. The elongation of buildings along a single street imposes the maximum traveling distances on pedestrians and therefore affords the widest range for reduction of distance through a more economical arrangement. The spreading of buildings over a square area imposes the minimum increase in traveling distances, since a square represents the maximum area per perimeter that is attainable by any practicable configuration,² and therefore affords the minimum range for any further economizing of distances.

QUALIFICATION FOR THROUGH-TRAFFIC

We have spoken of the square root of any factor of increased building height as representing the maximum increase in amount of traffic attributable to the increased height. Thus far, however, we have been speaking of traffic as if it consisted entirely of the traffic that is concerned with getting to and from points located in the area under consideration. But the through traffic, that portion of the traffic representing pedestrians and vehicles merely passing through the district from one section of the city to another,

¹ We are, of course, assuming the same pedestrian "velocity" in both cases, which is a safe assumption wherever adequate street and sidewalk width is provided. With inadequate width the slowing up of the rate of movement will aggravate the difficulties in either case.

² A circle would embrace a larger area within a given perimeter, were it not for the necessity of having intersecting, spoke-wise streets.

from transportation terminals to destinations beyond the district in question and back again, and, in the case of vehicular traffic, the truck, bus, and tourist traffic merely passing through the city or district,—this portion of the total traffic can scarcely be affected, except in the most indirect ways, by differences in the height of buildings along the route of travel. Occasionally a tall sky line may attract through traffic, but at least as often will detour it, so that for practical purposes we may eliminate this portion of the traffic from the problem.

This means that to the extent that total traffic is made up of through traffic, the maximum effect of increased building height must fall short even of the square root of the factor of increased height. If we make this correction in the formula above (p. 391), letting e represent the amount of through traffic, the formula becomes: $X = (a - e) \sqrt{b} + e$.

If a represents a traffic count of 5,000, of which 1,000 is through-traffic, and the increase in height under consideration is an increase from 10 stories to 20 stories, the result would be:

$$\begin{aligned} X &= (5,000 - 1,000) \times \sqrt{2} + 1,000 \\ &= 4,000 \times 1.4 + 1,000 \\ &= 5,600 + 1,000 \\ &= 6,600. \end{aligned}$$

That is, the difference in traffic attributable to difference in building height is 1,600.

VEHICULAR TRAFFIC

Throughout the discussion above, we have been speaking chiefly in terms of pedestrian traffic, in order to avoid complicating the analysis. But if an imaginary line be drawn down the center of each street, so as to compute separately the traffic moving each way and to allocate more closely the traffic assignable to each side of the street,

then everything that has been said of sidewalks and pedestrian traffic will be equally applicable to streets and vehicular traffic—with two practical qualifications. The first is that almost invariably a larger portion of vehicular than of pedestrian traffic will consist of through traffic. The second is that as traffic difficulties increase, vehicular transportation tends to be abandoned and walking substituted for short distances or for portions of a longer trip; that is, a certain amount of vehicular traffic is converted into pedestrian traffic. The tendency of the second factor is to *add* something to the total effect of building height on pedestrian traffic. The tendency of both factors is to *subtract* something from the total effect of building height on vehicular traffic.

IMPLICATIONS

If we have wearied the reader with the tediousness of the analysis above, it is because the implications that follow from this analysis are too important to be allowed to rest on anything short of demonstration.

If the analysis is sound, it means that the *maximum* possible effect of increased building height¹ on pedestrian and vehicular traffic is *something less* than the square root of the factor of increased height; that the *minimum* effect may be zero; and that under ordinary conditions, the effects will range somewhere between this maximum and minimum.

¹ We are obliged, in order to avoid the repetition of a lengthy formula each time, to speak of "increased building height" rather than of "differences in building height"; but the reader will keep in mind that we are speaking all the time not of the effects of historical increases in building height, with all the concomitants of changes in population, business, transportation facilities, etc., but of the provision of a given amount of building accommodation in the form of buildings of one height or another.

If the alternatives confronting a particular city are to have a small area occupied by skyscrapers, on the one hand, or to have the business section spread out in narrow, elongated form along a lake shore, river front, or other topographical determinant, on the other hand, the conditions are tending toward the Main Street situation in our illustration; and the effect of difference in building height will tend toward the minimum. But if, in another city, the alternatives are to have a smaller area occupied by skyscraper buildings, on the one hand, or to have the business section spread over a larger but roughly similar area, on the other hand, the conditions are tending toward the similar areas of our illustration; and the effect of differences in building height will tend toward the maximum.

In more concrete form, it means this: suppose that in a city or district under consideration, a fifty-foot street width between curbs, with ten-foot sidewalks on both sides, is taking care of the pedestrian and vehicular traffic at the present time, with approximately a ten-story building height. It may be felt that to permit an increase in height to twenty or thirty stories would put an impossible burden upon the present streets and sidewalks or necessitate an impracticable amount of street widening. Yet the adoption of a policy of limitation to the present height (on these grounds alone) would bring about an extremely uneconomical utilization of area, for this reason. If

20 per cent of the traffic is assumed to be through traffic, an increase of building height from ten stories to thirty stories should, at the maximum, increase the traffic by 58 per cent, or say 60 per cent. Sixty per cent of the entire width of street and sidewalk is forty-two feet, or twenty-one feet on each side of the street. Widening the street forty-two feet (or setting the building line for new buildings back twenty-one feet on each side of the street) will provide the necessary sidewalk and highway space for twenty additional stories on both sides of the street. Every addition of nine inches to the street, between curbs, and 3.6 inches to the sidewalk on one side of the street will provide for an additional story on that side of the street.

There are many grounds for the limitation of building height other than the relation of building height to traffic,—including considerations of light and air, aesthetic results, transportation facilities, and forecasts of the amount and direction of a city's growth. Many of these things are matters of taste, judgment, or opinion, and some of them matters of one's individual philosophy with regard to the objectives of urban life. But in so far as limitations of height are concerned with the relations of height to traffic, many mistakes in the utilization of urban areas will be avoided if some such factual basis as the one we have analyzed can be substituted for the guesswork and opinions that have too frequently shaped these policies in the past.

RECENT BOOKS REVIEWED

FEDERAL AID. A Study of the American Subsidy System. By Austin F. Macdonald. New York: Thomas Y. Crowell Co., 1928. Pp. xii, 285.

The hysteria about state and local expenditures, taxes, and debt which seemed to have such a serious effect upon the thinking of many persons in high national offices in the post-war period is probably subsiding. The bogey of "state and local extravagance" which brought on this state of mind has been found to contain very little substance. Like a gas-filled balloon, it needed only to be punctured by pins of fact and logic to be deflated. Readers of the REVIEW are already familiar with some of the studies which have made some of the fatal punctures. To this list must now be added the present volume by Dr. Macdonald.

The official theory ran about as follows: (1) The national government under a budget system is reducing debts and taxes and is becoming a model of economy and efficiency. (2) But state and local debts, taxes, and expenditures are rising. (3) Therefore the latter are wasteful and extravagant and are seriously hampering business. (4) Therefore, also, the national government should use every possible means to force retrenchment upon state and local units. Harangues and exhortations not having produced the desired result, two specific national measures have been proposed.

First came the drive for abolishing the tax-exemption privilege enjoyed since the beginning of our national history by state and municipal bonds. This proposed change was explained and supported as a means of improving the administration of the national income tax by reducing tax-dodging, and as a means of discouraging state and local borrowing. A constitutional amendment to end tax-exemption was proposed but failed to pass Congress. Since that time it has been found that the "facts" used by its proponents had been greatly exaggerated. Now the proposal lies interred in the graveyard of amendments not passed.

Next came the attack upon federal aid to the states. In a presidential utterance of a few years ago it was said that "The reduction of federal aid payments to the states is more important than tax reduction or United States ad-

herence to the World Court." The argument that federal aid laws are bad because they invade the sovereignty of the states has been exposed in all its speciousness by the Supreme Court. Somewhat more substantial arguments are to be found, of course, as any reader of the book under review will find. Be this as it may, however, Congress has done precious little in recent years to decrease and a little something to increase federal aid payments to the states. Maternity and infant hygiene work may be cut off, but agricultural research work and other activities will require increasing contributions.

Dr. Macdonald's work is a concise, straightforward account of the system of federal aid as it exists today. Beginning with a brief statement of the general features of the system and a short chapter on its evolution, he proceeds to the discussion in separate chapters of federal aid for forest fire prevention, agricultural extension work, highways, the national guard, vocational education, vocational rehabilitation, and hygiene of maternity and infancy. The data used by the author include beside the laws, the reports of departments, and other published materials, a wealth of facts obtained by him during a journey as a research fellow of the Social Science Research Council, in the course of which he visited half the states and had over one thousand interviews with officials and other interested persons. It is these facts which give his work qualities of thoroughness, insight, and reality which are all too rare in discussions of public questions. The volume is, in fact, a good workmanlike job.

We are tempted to spend some time in discussing his excellent last chapter on the future of federal aid, in which he states a series of conclusions almost entirely favorable to the system. The case which he makes out as the result of his careful study is a devastating answer to the critics of the system. That the system could be improved he admits and points out, but despite its present faults in detail it is a system worthy of extension to new activities under careful safeguards. In general the system of federal aid "makes possible the establishment of a national minimum of efficiency and economy without the sacrifice of state autonomy."

WILLIAM ANDERSON

University of Minnesota.

THE ORGANIZATION AND ADMINISTRATION OF PLAYGROUNDS AND RECREATION. By Jay B. Nash. New York: A. A. Barnes & Co., 1927. Pp. 547.

The first four chapters of this book contain a brief survey of the history and present-day development of play activities plus a more detailed discussion of playground objectives. Play is related to character, leisure, democracy, liberty and life, happiness and education. The net result is to deprive the term recreation of any real meaning in and of itself. If Mr. Nash had cast overboard his theoretical background and written critically on the meaning of recreation from his own intimate and first-hand experience one might have expected an original, realistic and exact interpretation. Indeed such an interpretation is suggested but not amplified in other chapters.

The major portion of the book is devoted to organization, administration and activity programs for municipal playground systems. The author has given much thought to the details of organization and the workable relationships that should exist between the city, the public school system and private and commercial agencies. Excellent organization charts and concrete comparative material of current types of recreation organizations are provided. The treatment is neither doctrinaire nor lacking in perspective. The author knows full well that no ready-made plan for conducting recreation activities can be made to fit each and every city. This gives point to his suggestions for coördinating such activities through coöperation. There are equally suggestive and specific discussions relating to the kinds and care of equipment and supplies, office routine and publicity. These chapters are replete with usable information for persons interested in the actual operation of playground systems. Of like caliber are the special chapters on golf, municipal camps, swimming pools, community centers and industrial recreation.

In addition the author devotes considerable space to the nature of recreation activities and the conduct of games and sports. There is only a single short chapter on "Community Social Arts" covering drama, music, and folk and dramatic dancing. And next to nothing on hand crafts and quiet games. Throughout the book active games and sports of the "big muscle" type are emphasized. The author contends that the public schools are providing opportunities

for handcraft, music and dramatics that recreation departments "cannot hope to duplicate." Obviously then a municipal recreation department should stress active sports—swimming, tennis, golf, skating, ball games, etc. Here is an interesting, not altogether orthodox but, to the reviewer at least, a sound approach to the determination of a municipal recreation program. Surely such emphasis seems sensible enough but too often recreation departments spread their limited personnel and funds to include activities that have no relation to health whatsoever and very little to intelligent training for the use of leisure time.

Although it may be said that the author has covered too much ground with the result that the book is of uneven value, the book itself is packed with valuable ideas and information and the attack on recreation problems refreshingly realistic. It deserves a place on the desk of every playground administrator.

RANDOLPH O. HUUS

Western Reserve University.



AMERICAN CITIZENSHIP AS DISTINGUISHED FROM ALIEN STATUS. By Frederick A. Cleveland, Ph.D., LL.D. New York: The Ronald Press Co., 1927. Pp. 397.

This work falls virtually into two parts although the author divides it into three. The first 218 pages treat principally such topics as how American citizenship is acquired, the legal advantages of citizenship, the legal disadvantages of alienage, the relation of domicile to citizenship, and so on. It is legalistic in character. In the remaining 200 pages, roughly, attempt is made to develop a theory of state answering to what are claimed to be American postulates, though this claim is open to serious challenge.

The technical portion of the volume is, for the most part, fairly describable as a rather well-arranged scrap book of material drawn from earlier textbooks and treatises—the names of Ogg and Beard, Woodburn and Moran, Garner, Borchard, Hart, Meili, Van Dyne, Bouvé constantly appear in the footnotes. Some of the works cited are—or were in their day—authoritative, and it may be conceded that proceeding in this way Dr. Cleveland has brought together in brief compass a good deal of information of one sort and another. At the same time, his reliance on secondary authorities has had the

inevitable result that the work is frequently out of date, occasionally self-contradictory, and especially as to points of theoretical interest, unsatisfactory.

On page 24 it is asserted that an "individual may be a citizen or member of nation [the United States] and not of state and *vice versa*." The notion that a person can be a "citizen of a state" in the sense of this term as it is used in the constitution of the United States runs flatly counter to the reasoning of the court in the *Dred Scott* and *Slaughter-House* cases, and raises insuperable difficulties. I believe, too, that there is a definite dictum against the idea in the court's opinion in the *Wong Kim Ark* case. On page 57 it is stated that naturalization "can be administered by United States courts only." Yet on page 59 it is stated on the authority of Hart that "any federal or state court may receive the proof and issue the certificate." The latter is, of course, the correct view. On page 128 it is asserted that "the several states have a right to make any laws in regard to business which do not interfere with stipulations made by the Federal Government." Yet on page 134 a quotation from a department of labor bulletin which evidently refers to the Supreme Court's decision in *Truax v. Raich* asserts a very different principle. On page 135 the treatment suffers from lack of knowledge of such cases as *Heim v. McCall*; nor is any awareness shown of recent cases dealing with the legislation of certain western states affecting Japanese rights. On page 158, under the heading of Freedom of Speech and Press, the statement is quoted that "in this country the press is entirely free"—that is, is free to aliens. The source of the quotation is a state department dispatch of June 18, 1869. (See 2 Moore 165.) This rather overlooks such cases as *Turner v. Williams* and certainly is little harmonious with what is said further along in the book about the American conception of treason and sedition. (See especially pp. 376-377.) The chapter on Exclusion and Expulsion of Aliens makes no reference to important recent cases.

If the first part of the volume is a scrapbook, the second is a medley. What seems finally to emerge is an effort by the author to emulate Krabbe in giving the perennial Jean Jacques a new coat of paint. We are taught that according to the American conception the "People," the "Nation," is "an impersonation of the idealism of a social-minded population" (p. 241), and that it possesses an attribute called "Sovereignty" which

makes anything it chooses to do all right. "What must be impressed upon the minds of citizens of a republic," Dr. Cleveland asserts (p. 313), "is: That in dealing with liberty and authority we are dealing with two aspects of the same thing." In other words, the more authority, the more liberty!—which may be so when both belong to the same fellow. At any rate for other cases this great truth seems to have dawned but slowly on mankind, for on page 319 we learn, on the authority of Professor Burgess, that "the history of government should be written around the attempts of people to reconcile authority with liberty."

A great deal of this part of the book is obviously intended to edify rather than to instruct, though exactly to whom it is addressed is a question. The same question, indeed, arises as to the entire volume.

EDWARD S. CORWIN.

Princeton University.



LOCAL FISCAL PROBLEMS: Finance Department, Chamber of Commerce of the United States, Washington, D. C., 1928. Pp. 24.

FISCAL PROBLEMS OF THE STATES: Finance Department, Chamber of Commerce of the United States, Washington, D. C., 1928. Pp. 47.

The Chamber of Commerce of the United States presents these two factual studies on local and state fiscal problems with the hope that they will encourage and assist regional efforts intended to effect improvements in the laws and practices relating to the raising and spending of the public funds.

These studies are merely summary reviews that do not go beyond a bare statement of some of the major fiscal problems that confront our local and state governments. For example, in the first report, we find a brief discussion of such subjects as assessment difficulties, tax exemption, overlapping jurisdictions, budgets and budgetary procedure, accounting and auditing, and long-time improvement programs. Similarly, in the report on the fiscal problems of the states, one finds an explanation of the more important reforms in state finance that have been given serious consideration during recent years. The main emphasis here is on state budgetary reform and state taxation. The latter is dealt with under three main heads: (1) the relation between federal and state governments, (2) the relation

between the states, (3) taxation within the states.

The general method pursued in these reports is to give a factual presentation and to review important reform tendencies. For the most part, the two studies avoid taking sides on controversial policies. Incidentally, however, they renew the recommendation of the Chamber that the federal estate tax be abolished. In view of the Chamber's emphasis on governmental efficiency and the simplification of our taxation machinery, such a recommendation provokes suspicion of the Chamber's motives, since every intelligent and disinterested student of taxation well realizes that the only way to administer inheritance taxes equitably and efficiently is through the federal government. Again, while the Chamber of Commerce experts view with alarm the increasing value of tax-exempt property devoted to civic and philanthropic purposes, they maintain a discreet silence on the matter of tax-exemption privileges enjoyed by manufacturing industries, which in such a state as Pennsylvania, for example, results in great inequities in the distribution of the tax burden. While neither one of these studies contains material of special significance, both are very readable and should prove suggestive to interested laymen.

MARTIN L. FAUST.



Three City Reports.—*Lynchburg, Virginia. Annual Report for the Fiscal Year Ending December 31, 1927. By R. W. B. Hart, City Manager. Pp. 119.*—This last report of the operation of the municipal government of Lynchburg maintains the high standard established by the previous publications of that city. To enumerate all its merits would take too much space. First of all, it is attractive. One cannot look at the cover without opening the report, and then the contents compel a further interest. Other commendable features are table of contents, organization chart, comparative data, balanced content, and general arrangement. To partly offset its many merits, one must mention the lack of emphasis upon important facts, a letter of transmittal which fails to either sum up outstanding accomplishments or offer suggestions for future action, and then finally its length of 119 pages. Report writers must condense their reports, for to expect one to read a public report of such length is to expect the impossible.

City of Berkeley, California. Fourth Annual Report for the Year Ending June 30, 1927. By

John N. Edy, City Manager. Pp. 89.—In this report Mr. Edy has departed from precedent in public report writing. He has done it with the purpose of trying to get the people who pay the bills for public services to take more interest in the reporting of those activities. It is gotten up in the form of a series of news articles, written and illustrated in newspaper style. The first impression is that the stories are extracts from current newspaper articles which might have appeared throughout the year, thus reproducing chronologically a newspaper account of city activities for the period covered. One finds, however, upon investigation, that such is not the case. It is, on the contrary, a deliberate attempt to depart from traditional methods in an effort to get people first of all to take notice of it. In this Mr. Edy has succeeded, for the report became the subject of a half-column editorial in a recent issue of the *New York Times*. Such recognition alone perhaps justifies the experiment. However, this reviewer is of the opinion that a continuation of such a method of reporting would defeat rather than aid the cause of public reporting. In the final analysis, Mr. Edy is deserving of high commendation for daring to do the unconventional. If more experiments were made by other city officials, perhaps we might eventually produce reports that would convey all the essential facts in such a way as to compel public attention.

City of Pontiac, Michigan. Annual Report for the Fiscal Year Ending December 31, 1927. By C. W. Ham, City Manager. Pp. 112.—For several years the annual reports of the city of Pontiac have been among the very best. This last report which was available to the taxpayers within two months after the end of the period covered is also entitled to a high rating. The lack of three essentials of municipal report writing keeps it from being the outstanding report of the year. These are a table of contents, an organization chart of the government, and the common fault of most reports—excessive length. More emphasis upon important facts, a few more charts, a more logical arrangement of material, and a letter of transmittal containing a brief résumé not alone of work done, but work proposed for the future as well would also have added to the interest and value of the report. By and large, however, it has a well-balanced content, and in many other respects is so commendable that to begin to name its good points would carry us beyond the limits of this review.

C. E. RIDLEY.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE

Professor of Law, Georgetown University

Zoning—Limitation of Power by the Supreme Court.—The decision of the Supreme Court in *Euclid v. Ambler Realty Company*, 272 U. S. 365, affirming the power of municipalities under delegated authority to enact and enforce comprehensive zoning ordinances, was taken by many as the last word on the subject and as rendering unnecessary any further discussion of the rights of individuals affected to claim the protection of the Fourteenth Amendment. This view gained currency, despite the express statement of the court that it decided nothing but the constitutionality of comprehensive zoning under the police power. That it is by no means certain that the Supreme Court would not uphold many of the decisions of the state courts apparently adverse to zoning if the rights of the individual upheld therein were brought before it when denied by the state tribunals is made manifest by its pronouncement in the case of *Nectow v. City of Cambridge*, 48 S. Ct. R. 447, decided on May 15.

In this case, the zoning ordinance was comprehensive in character, as in the *Euclid* case, but the restriction of the plaintiff's lands located in a manufacturing neighborhood to residence purposes not only destroyed their commercial value, but failed as a matter of fact to promote the health, safety, convenience and general welfare of the community. The court holds that the invasion of the property of the plaintiff in error was serious and that since it did not bear a substantial relation to the bases of the police power, the action of the zoning authorities comes within the ban of the Fourteenth Amendment and cannot be sustained. This case presages the reversal of the decision in the case of *American Woods Products Co. v. Minneapolis*, 21 Fed. (2d) 144, criticised in the December, 1927, issue of the REVIEW. It, also, is a warning to these zoning boards which have felt encouraged to indulge in arbitrary acts since the decision of the *Euclid* case. It may be further noted that an intensive study of the principles underlying zoning will henceforth be quite as essential as ever to insure an administration of zoning ordinances that will stand the test of judicial review.

Zoning—Comprehensive Ordinance Upheld in Texas.—The courts of Texas, which in 1921 looked with disfavor upon the principle of comprehensive zoning, have recently fallen in line with the majority of other states by a decision of the court of civil appeals of the state in *Wichita Falls v. Continental Oil Co.*, 5 S. W. (2d) 561. While not overruling *Spann v. City of Dallas*, 111 Texas 350, 235 S. W. 513, the court largely shifts the emphasis of the ground upon which the decision in that case was vested from a disapproval of the principle of zoning to the unreasonable nature of the ordinance therein involved. In apparent apology for the sentiments it published in earlier decisions, the court frankly says:

The power to regulate the conduct and location of business and industrial plants has been, in recent years, more generally conceded by the courts of our country than formerly. The tremendous development of our cities has produced new conditions, and the problem of providing for health and comfort of the populations of such cities becomes more and more complex and difficult. The best thought and the closest investigations of municipal authorities are taxed to the uttermost in the solution of such questions, and in determining the relief required from conditions that now threaten the congested population of such cities. We have learned many things. It may be that we have become overly critical, but, nevertheless, conditions which were borne with Indian stoicism 50 or 75 years ago have become intolerable in the present day because of our increased knowledge of what those conditions threaten. The necessity created by new conditions must be taken into consideration by the courts. Regulations passed by municipal authorities that may have seemed unreasonable under old conditions may now be reasonably necessary under the new conditions that confront us. We cannot dispose of the questions now arising and confronting us every day by the application of rules that have become obsolete under such changed conditions.

*

Zoning—Effect of General Empowering Statute.—In *Dawley v. Collingwood*, 218 N. W. 766, the Supreme Court of Michigan in upholding an injunction against a violation of the zoning ordinance of the city of Lansing, which functions under a home-rule charter, rests its decision upon the principle that the general zoning enabling

statute has enlarged the powers of all municipalities of the state to which it applies, including the home-rule cities, and that no charter amendment is necessary to authorize them to pass general zoning ordinances. The enlargement of the powers of home-rule cities by general statute, the court holds, is in no wise an interference with this constitutional independence. The decision is of great importance in its bearing also on the effect of other general enabling acts which may be adopted from time to time. Zoning has been tacitly considered in the home-rule states as a municipal function, upon which the local electorate should pass, and the general statute has been accepted rather as declaring the policy of the state and to some extent thereby determining the extent of the police power where the construction of constitutional limitations was raised. While the principle invoked in this instant case is a very useful one, it is somewhat difficult to reconcile it with the general theory of constitutional home rule. The only precedent cited by the court is the case of *Zimmerman v. Bedford*, 134 Va. 787, 115 N. E. 362, which, however, did not involve the home-rule question, but only the effect of a general statute upon the charters of towns, which under the constitution of 1902 were to be amended only by special act.



Dedication—What Constitutes Acceptance.—It is generally laid down that an offer of dedication of lands, or of an easement therein to the public must be accepted by the state or some agency thereof to complete the vesting of the proffered rights in the public. As to what acts will constitute such an acceptance, however, the opinions of the courts differ greatly. Of course a formal acceptance by the appropriate agency, or the exercise of such acts of public ownership as reasonably imply an acceptance would be held final in all jurisdictions. In many jurisdictions, however, use by members of the public is held to be sufficient evidence of acceptance. In New Jersey, the doctrine that the acceptance of the public may result from the acts of individuals is carried to its logical extremity and the act of an owner in filing a plat in the county clerk's office and selling lots with reference thereto constitutes a complete dedication of the streets and squares indicated thereon. In *Long Branch v. Toovey*, 140 Atl. 415, the Court of Errors and Appeals reaffirms this doctrine and rejects the contention that acceptance of the public must be

by formal resolution or overt acts indicating possession or ownership, subject to which within a reasonable time, laches or estoppel will supervene to eliminate the public right. The acts of the owner, the court holds, effect a complete and irrevocable dedication, unless the concession be expressly rejected by the lawfully constituted authorities.

Another important decision bearing upon the effect of dedication on the rights of subsequent purchasers is *Menstell v. Johnson*, 262 Pac. 853, in which the Supreme Court of Oregon holds that the sale of lots thus platted and recorded with set-back lines indicated thereon establishes easements in gross, enforceable by any subsequent purchaser against any and all owners of the remaining lots of the tract, even though there be no express renewal of the covenant in the later deeds. The original covenantee thus becomes a trustee of the restrictive covenant for all subsequent grantees. It can readily be seen that the same doctrine is applicable to protect the city plan under the requirement of a statutory dedication by filing the plat of a subdivision in a recording office, and making the privilege of filing conditional upon the incorporation of set-back lines to conform with stated requirements.



Torts—Proprietary and Governmental Functions.—The Supreme Court of Minnesota in its recent decision in *McLeod v. Duluth*, 218 N. W. 892, holds that the flushing of streets is a proprietary function, negligence in the discharge of which will impose liability, although the sprinkling of the streets is still to be considered a governmental function, with consequent immunity from tort liability. The court looks to the primary character of each activity and concludes that while sprinkling is for a local purpose and may be made the basis of special assessments because of the peculiar benefits to the adjoining property, still the paramount purpose is to conserve the public health by laying the dust. On the other hand, the application of water with force to the streets is only incidentally to conserve health and mainly to remove debris so as to render the street more safe for travel. Although highway maintenance is a public function, Minnesota, as most other states, recognizes the duty of a city to keep its streets in a safe condition for travel and impose civil liability for neglect, so that completing the logical circle, the maintenance of streets from the point of view of liability

in tort is considered to be proprietary. The decision is to be commended, though the reasoning of the court in drawing its distinction is somewhat difficult to follow.

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Torts—Liability for Negligence in Care of Parks.—Texas is the latest state to join the ranks of those jurisdictions which hold municipalities liable for negligence in the care of their public parks. In *City of Waco v. Branch*, 5 S. W. (2d) 498, decided April 25, the Commission of Appeals held that the city was liable to the plaintiffs, injuries to whose child were caused by the failure of an attendant properly to manage a flock of sheep belonging to the city as an incident of its park maintenance. The flock stampeded into a line of automobiles, causing an accident from which the child suffered severe injuries. The court for the first time takes the position that in the management of its parks the city acts in a proprietary capacity for the peculiar benefit of its own inhabitants. In the earlier cases, the Texas courts, while recognizing the principle of general tort immunity, has struggled to predicate liability in a particular case either on the attractive nuisance theory or on the finding that revenue was incidentally derived from the apparatus negligently operated (*Wiggins v. Fort Worth*, 299 S. W. 468). By taking the advanced position in the instant case, the Texas courts follow the example of accepting the principle of extended liability, which has been adopted within the past two years by West Virginia, Wyoming, Mississippi and Colorado. (See note July 1927, Vol. XVI, No. 7, page 476 of this REVIEW.)

In sharp contrast to the progressive step taken by the Texas courts, may be cited the decision of the Supreme Court of Kansas in *Warren v. Topeka*, 265 Pac. 78, handed down on March 10. The plaintiff's child was drowned in a park swimming pool, which was negligently operated by a concessionaire, who charged the children fixed rates for the bathing privilege. The court held that the city was not liable even though deriving a revenue, as the function was governmental, and that the concessionaire was not liable as he was merely an employee of the city, which prescribed the rates and laid down the rules of supervision, which he neglected to follow.

Which part of the decision does most violence to established legal principles as well as to practical justice, it is difficult to say. The court says: "The unfortunate accident is to be most seriously regretted and the fond parents have the sympathy of all who know of the accident, but we must recognize the modern tendency to furnish artificial swimming pools instead of natural swimming holes and to locate them in the most convenient places for use and enjoyment, viz., in parks."

Another recent decision illustrating the far reaching scope of the immunity from liability in tort, where the principle of governmental nature of parks is applied is that of *Dakin v. City of Somerville*, 160 N. E. 260, in which the Supreme Judicial Court of Massachusetts holds that roads and boulevards laid out as part of the park system do not come within the definition of ways opened and dedicated to the public use, such as to come within the purview of the general statute imposing liability for negligence in their maintenance.

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Municipal Ownership—Contract Rates.—The principle that a municipality in operating a public utility is subject to all the limitations of a private corporation, except so far as extraordinary powers are expressly delegated to it, was applied by the New Jersey Court of Chancery in *Federal Shipbuilding & Dry Dock Co. v. City of Bayonne*, 141 Atl. 455. In an action to have its contract with the city for a supply of water construed, the facts showed that the company agreed to advance the city \$150,000 for water to be taken and ultimately to take additional water to the value of \$350,000, the rates to be the same as for water furnished to other consumers of substantially equal amounts. The payment was made and the money used by the city, which later raised the rates to some large consumers outside the city and attempted to charge the increased rates to the company, although still continuing the older rates in force to other large consumers. The court held that the city was without power to make any rates retroactive, as was also attempted, and that the company under its contract was entitled to as favorable rates as any consumers of equal amounts of water whether within or without the city limits.

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

False Notions of Economy—The federal power commission has issued an order suspending temporarily the issuance of water power licenses, because of inadequate personnel and the failure of Congress to enact remedial legislation. Its present force consists of thirty civilian employees and five officers detailed from the corps of army engineers.

The commission declares that it would require double its present force "to catch up on work already accumulated, and do it within the next five years." The situation is "gradually getting worse," due to the influx of applications for water power licenses, and to research and accounting work that must follow. Hence, the order against new licenses was issued to prevent accumulation of work that would leave the commission almost hopelessly behind.

"The purpose of Congress fully to protect the public interest in the issuance and administration of licenses," continues the statement, "has, because of lack of adequate personnel, been impossible of accomplishment.

"The commission has proceeded with the issuance of licenses in the annual expectation that it would be given the means to exercise adequate supervision over them. This has not been given, and it is a serious question whether the commission ought not to cease the issuance of licenses altogether until it is in a better position to safeguard the public interests."

This niggardly treatment of a body created for the purpose of supervising public utilities in the public interest is by no means confined to the federal power commission. It has been the standing grievance of the interstate commerce commission for a number of years, as has been brought out by various members of the commission, and especially by Commissioner Eastman.

Nor is this "penny-wise-pound-foolish" policy confined to the federal branch of the government alone. This false "economy" program which results in crippling bodies that have an important public function to perform has likewise been adopted by most of the states. The results are

deplorable and readily felt whenever questions of importance reach a point where they can no longer be ignored.

In the Public Utilities Report issue of April 5, 1928, this problem is very ably discussed by Hon. J. F. Shaughnessy. As chairman for many years of the Nevada public service commission and former president of the National Association of Railroad and Public Utility Commissioners, Mr. Shaughnessy has had full opportunity to know of conditions, and some of his observations will show what a pass we have reached.

Of the interstate commerce commission, he says:

Despite this increased burden placed upon the interstate commerce commission, and the increased labors of state commissions in nationwide, district, and group rate cases, attending hearings and arguments at geographical centers and Washington, D. C., including heavy expenses for three thousand mile journeys, twenty thousand to thirty thousand page records, and for printing and filing of briefs, etc., no provision has been made by Congress to take care of these extraordinary expenses or to expedite the work over which it has taken jurisdiction. On the contrary, the federal commission is seriously undernourished in the matter of working appropriations and forces; it is overworked, behind in decisions of great public importance, and *so serious in this deficiency that during recent years numerous able commissioners and department heads of that tribunal have resigned from the service and entered other occupations to the great detriment of the public service.*

He then states that any responsible work touching upon utilities requires special training and experience, a fact fully appreciated by the utility companies. These have recognized the importance of continuance in office of the same personnel, and, therefore, provide ample salaries, long tenure of office, and promotion from the ranks. But—

Quite the contrary policy has been pursued in the field of state and federal regulation, especially during recent years. Since the establishment of the budget system, under the guise of economy in the expenditure of public funds and reduction in taxes, the budget specialists with nothing other

than a superficial knowledge of the difficulties which beset the commissions, in many cases reduce or restrict their appropriations, and if, perchance, taking the interstate commerce commission as illustrative, a commissioner or a department head should speak before the appropriations committee, about some new matter or one disallowed by the budget director, the orders are to dismiss him, with the result that if he be called upon to give testimony in a meritorious case the usual practice is to have his remarks deleted from the record—a sad commentary to say the least.

Here we have a *clear invasion of the legislative prerogative by the executive branch of the government*, and it is remarkable indeed to think of Congress permitting such an invasion of its Constitutional duty as this clearly appears to be.

He then shows the absurdity of the "economy" idea exercised in this branch of the public service, in the following paragraph:—

In this connection the entire annual expenditure of all state commissions is but slightly over five million dollars per annum, while for the interstate commerce commission it is a little more than seven million dollars, or a total of about thirteen million dollars per annum. Compared with these figures the taxes and license fees annually collected for federal, state, county, and municipal purposes aggregate approximately seven and a half billion dollars, from which it follows, of course, that the cost of regulation is in no sense burdensome and that any reduction therein, resulting from mistaken notions of economy, could have no practical effect whatsoever on taxes, but because of the aforesaid reasons the salaries of commissioners and important department heads have in all too many cases remained at the pre-war level, and for the same reasons it is almost impossible to secure an increase, while it is frequently difficult to prevent serious reductions in appropriations for the working support of the commissions, from which it follows, naturally enough, that the turnover in personnel of commission organizations has been very heavy during the past few years, a most unfortunate and in fact an uncalled-for condition. While the increase in cost of living, traveling expenses, and subsistence during recent years has been adequately compensated for in every financial, industrial and utility line of activity, it is regrettable that this cannot be said for the regulating tribunals of the nation, because they have not been accorded adequate increases in salaries and appropriations. *Unless this feature shall be given appropriate attention by Congress and state legislatures, regulation will fail and in lieu thereof the public will insist on some form of direct action.*

The writer has come to a poignant realization of this acute problem long ago in his everyday experience. He has seen again and again, utility rate, service, capitalization and other cases, lightly passed over by commissions, with consequent loss to the public interest, purely because of insufficient or entire absence of the required

technical staff to investigate the specific problems. It is time that those who have regulation at heart bring these facts to the attention of the proper authorities with a view of correcting this evil.

*

Service Charge for Gas Consumers.—Service charges in one form or another are being proposed by gas companies in widely scattered sections of the country.

Last February the Massachusetts commission cancelled the schedules, imposing such a charge, filed by the Boston Consolidated Gas Co. A similar proposal was turned down by the Missouri commission. The Laclede organization has filed schedules involving a consumer charge, which the city of St. Louis is now actively opposing before the Missouri commission. Two similar charges by Brooklyn gas companies, one of which was put into effect last August and now being reviewed, are pending before the New York commission.

Thus, the movement has assumed a national character and seems to be a concerted effort on the part of the gas industry to institute a charge that will increase the bill of the small consumer.

From the investigations the writer has conducted into the costs and rates of several companies, the following conclusions seem to be warranted:

1. There are probably some costs which do not depend upon the amount of gas consumed or upon any consumption, as long as the consumer is attached.
2. These specific consumer costs, insofar as they can be sifted out and segregated, amount to only about 20 cents a month.
3. The difference in these costs between the same class of consumers in different sections of a city served by the same company, is, as a rule, greater than the difference between the various classes of consumers in the same section.
4. The service charges proposed exceed by a substantial margin whatever special costs may be incurred for the consumer as a consumer.
5. The entire question is exaggerated by those who insist upon these new schedules out of all proportion to its real merits. Exact measurement of these costs and consumer charges therefor, would result in an altogether too involved rate schedule. And after all the minute classification has been accomplished, greater discrimination would result than those they attempted to eradicate.

Further Developments in the New York Subway Litigation.—After going to press with our former issue, the Supreme Court of the United States granted a stay to the city against the introduction of a higher fare pending its review of the decision by the statutory court. As the argument at Washington will take place in October, the subway riders are assured of the continuance of the five-cent fare, as fixed by the contract, at least till the latter part of October.

Some profess to see in this granting of a stay by the highest court an indication of its decision next fall in favor of the city. While this temporary stay is favorable to the public, it can hardly be said to imply similar action in the disposition of the questions to be decided next October, or in the final adjudication of the case. The granting of the stay, in our opinion, did not involve a consideration of the questions at issue. All that was necessary at this stage was the application of common sense. At the time the stay was argued, one member of the Court asked counsel for the company how long this alleged confiscation had been going on. Counsel answered that it had been deprived of a fair return ever since the great rise in price level,—for eight to ten years.

Counsel for the city then recited to the Court the earlier attempts made by the company to increase the fare. It is developed that the company had appealed to the board of estimate in 1919 and directly to the New York state legislature in 1922, but abandoned the attempts later.

In view of these facts, the Supreme Court could very well take the view than an ordinary man in the street would under similar circum-

stances. It could ask, why the haste? If the company could rest on its oars since 1923, during which time the subway earnings have concededly increased in gross and net by leaps and bounds, why should an increase be granted now when the basic questions will be decided within a few months?

Meanwhile the city and the commission have taken further action in the matter both before the Supreme Court and the lower federal court. The latter had barred from appeal to the Supreme Court certain papers bearing upon the question of priority of jurisdiction between the state and federal courts of the fare litigation. The city and the commission, however, obtained an order from the Supreme Court to include these documents and to make this priority question part of the case to be argued next October.

In addition, the commission applied to federal court to modify its injunction insofar as the latter interferes with the regulatory powers of the commission over the Interborough outside of the fare provision. Thus, the commission is enjoined from enforcing the lengthening of platforms and the purchase of 432 additional cars. Both of these projects had been before the commission for a long time. Many hearings were held and testimony taken as to the need of these improvements and the relief they would offer in a comparatively short time.

The Interborough denies that the regulatory powers of the commission have been curtailed by the injunction. The commission may issue whatever order it sees fit. All that the injunction does, according to the company, is to make all commission action reviewable by federal court, if the company refuses to comply with it.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since May 1, 1928:

Boston Finance Commission:

Reports and Communications, Volume XXIII.

Buffalo Municipal Research Bureau:

The Annual Budget; covering the fiscal year July 1, 1928 to June 30, 1929.

California Taxpayers' Association:

Summary and Analysis of the County Budget Law and Budget Procedure.

Chicago Bureau of Public Efficiency:

Tax and Bond Propositions; to be voted upon June 4.

Cincinnati Bureau of Municipal Research:

What Happens to Felony Cases in Cincinnati. Crime and Criminal Justice.

Cleveland Municipal Research Bureau:

Annual Report.

Detroit Bureau of Governmental Research:

Charts of the Detroit Metropolitan Area. Memorandum re Proposed Crime Commission. Statistical Records of Detroit.

Taxpayers' Association of Fall River, Inc.:

The High Cost of Government.

Taxpayers' Association, Minneapolis.

A Study of Teachers Salaries and Some Facts Bearing Upon an Increase in Such Salaries in Minneapolis.

Philadelphia Bureau of Municipal Research:

Force Account on Unit-Price Construction Contracts.

Schenectady Bureau of Municipal Research, Inc.:

Know Your City! (And How It Spends Your Money).

St. Louis Bureau of Municipal Research:

Recording Deeds by Photography.

Taxpayers' League of St. Louis County, Inc.:

Annual Review of Activities, June 1, 1928.



Boston Finance Commission.—Since May 1 the commission has conducted investigations on cases in the overseers of the public welfare

department, checking requests for abatement of taxes, and checking payments made in the soldiers relief department.



California Taxpayers' Association.—The California Taxpayers' Association has been active for the past few weeks conducting conferences in different parts of the state to give opportunity to the taxpayer to familiarize himself with the best methods of getting information as to budgets and budget procedure. A new California law requires California counties to adopt and operate on a budget plan, and becomes effective for the first time for the 1928 budget.

This act was prepared and sponsored by the California Taxpayers' Association and requires each county to prepare a budget of proposed expenditures for all departments and functions, showing its complete fiscal program for the year. Copies of the completed budget are to be furnished taxpayers interested enough to request them, before the appropriations are made final and the tax rate determined. They are then given an opportunity to participate in an open budget hearing and suggestions are offered for allowance, reduction or increase of budget requests.

The act was passed as the result of an insistent demand on the part of the taxpayers that they be given an opportunity to sit at the council table when their tax burdens are determined, and to have an understanding of their county's activities and a voice in determining the fiscal policy. The budget, when finally adopted, must be adhered to in the expenditures, except that provision is made for an emergency fund.

The Association is now in the midst of another county survey. Rolland A. Vandergrift, director of research for the Association, reports that the governmental survey of Santa Barbara County is approximately one third finished. The field work of this survey has been divided into three parts: (1) general governmental receipts and expenditures and accounting

methods; (2) highways, bridges and other engineering features; (3) educational administration, including receipts and expenditures. The survey is being made at the request of the Santa Barbara County Committee of California Taxpayers' Association. It covers the fiscal year ending June 30, 1927. The analysis will be similar to the previous reports made of Sonoma, Kern and San Diego counties.

*

Citizens' Research Institute of Canada.—The Institute has prepared and will shortly issue a report giving an outline of the tax structure of Canada.

The preparation of the 1928 edition, first portion (city section), of the *Red Book*, financial statistics of Canadian governments, is being proceeded with. It is expected that it will be ready for publication about the end of June. The complete edition of the *Red Book* contains the latest authoritative financial information for all Canadian urban municipalities with a population of more than four hundred.

*

Cleveland Municipal Research Bureau.—Alden C. Fensel has been appointed acting director of the Cleveland Municipal Research Bureau.

The Bureau has completed its study of the financial requirements of the city of Cleveland for the next fifteen years and also a functional analysis of governmental expenditures for the past five years.

A follow-up of delinquent tax collections is being made to supplement the original study completed in 1925. An abstract of state loans affecting county government is also being prepared for the Regional Government Committee.

The Bureau has consented to give technical assistance to the civic Fact Finding Committee on the New County Jail and Courts Building.

*

Taxpayers' Research League of Delaware.—The League has continued the preparation of material for consideration in the drafting of a code for the fiscal administration of the state, counties, and municipalities. This code is to be formulated in coöperation with a committee of the Delaware Bankers' Association. The League is preparing from the official records of the state what is probably the first objective analysis that has ever been made of state appropriations and expenditures. A schedule has also been prepared showing how all outstanding

state highway bonds which are forty-year, sinking-fund bonds, may be retired in twenty years without any increase of the present annual sinking-fund and interest payments from the highway fund.

*

Des Moines Bureau of Municipal Research.—The Des Moines Bureau of Municipal Research is preparing a statement showing the comparative expenses of each activity and bureau of the city, county, and school departments for 1917 and the last four years. This compilation has proved to be exceedingly difficult, owing to the fact that annual statements of the city and county fail to segregate items and do not in every respect present a clear picture of the expense.

The Bureau is analyzing the printing expense in connection with the city and general elections. It was found that there is little competition in these contracts.

A report is being prepared on the consolidation of several high schools and the closing of an elementary school.

*

Indianapolis Chamber of Commerce.—An amendment to the Indianapolis school city charter, providing for the election of school commissioners biennially at the time when commissioners are elected for the civil city under the city manager form of government, will be proposed by the Indianapolis Chamber of Commerce civic affairs department as a result of a study made by the education committee of the Chamber of Commerce.

A thorough survey of the present provision in the Indianapolis charter and a study of school board election laws in twenty cities of the United States, including the ten immediately larger and the ten immediately smaller in population, were made by the committee.

As a result of the study the committee concluded that the school board should be elected rather than appointed. Certain provisions of the Indiana constitution led the committee to recommend that the membership on the Indianapolis board be retained at five. Under the present charter, a school board election is held once each four years, three members being elected to take office on the first of January immediately following, and two members to take office two years after their election, all members to hold office for four years.

The most important reform recommended by the education committee would provide that all members take office on the first of January immediately following their election and, therefore, biennial elections are recommended.

The department expects to have the coöperation of other civic agencies in support of this amendment, and it is understood that the school commissioners themselves are not unfriendly to the proposal. The amendment will be submitted to the state legislature next January.

✱

Bureau of Governmental Research, Kansas City, Kansas, Chamber of Commerce.—When it was proposed to issue bonds for the resurfacing of a boulevard and the repaving and repainting of the intercity viaduct, the Bureau engaged Black and Veatch of Kansas City, Missouri, as consulting engineers to report on these projects. In addition, considerable data was gathered from municipalities and private corporations concerning the advantages of mechanical painting (the spray gun method). The use of the sand blast was also recommended for cleaning the viaduct preparatory to repainting.

When it was announced that the county commissioners would shortly request the city to install additional traffic signal lights, the Bureau submitted a memorandum to the safety council recommending that no additional traffic signal lights be installed until the city acquires an adequate fund of engineering data on traffic problems. Traffic counts, a spot map of traffic accidents, and the designation of a traffic engineer to make special studies of traffic problems were recommended.

The Bureau's study shows that the existing system of field collection of the city dog tax by temporary appointees, many of whom work only two weeks, is disadvantageous to the city. It was found that some employees did not collect enough to pay their own salaries. The use of Boy Scouts for this work, more effective field supervision, and the establishment of a municipal dog pound are the main recommendations advanced in the report.

The Bureau's report on municipal budget procedure, which was submitted to the finance commissioner last November, has been published for general distribution.

When it was announced that, due to the maturing of \$490,000 worth of bonds during 1929, coupled with a shortage in the sinking

fund, there might be an increase in the city tax rate, the Bureau issued a bulletin calling the attention of the taxpayers to the need of retrenchment if the existing rate is to be maintained. The city officials are now at work on a program of retrenchment by which they hope to avoid an increase in the tax rate for city purposes.

✱

Kansas City Public Service Institute.—The principal work and activities of the Kansas City Public Service Institute during recent months have been as follows:

County Reorganization.—In coöperation with county officials a study is being made of the organization of the government of Jackson County for the purpose of preparing a bill providing for reorganization to be presented to the 1929 session of the state legislature. A definite plan of organization has not yet been prepared, but it is expected that a considerable consolidation of departments can be made with a reduction in the number of independent departments and independently elected officials.

School Building Financing.—A proposal to issue five million dollars of school bonds was defeated at a special election on March 27. This is the first time that a school bond proposal has been defeated in Kansas City. Following this the Public Service Institute presented to the board of education a plan for establishing school building finances on the pay-as-you-go basis immediately. Whether this will be adopted has not yet been determined. Previous to the bond election the Institute had submitted a plan for establishing the pay-as-you-go plan after the expenditure of the bond funds. This had been informally approved by the board of education.

Conference on Local Government.—In coöperation with the League of Women Voters and several other civic organizations the Institute aided in the plans for a conference on local government held in Kansas City, May 24 and 25. Problems of local importance were discussed by both local and out-of-town speakers. The principal speaker was Colonel C. O. Sherrill, city manager of Cincinnati, Ohio, who spoke on the city manager plan in Cincinnati. Other subjects discussed were: police administration, county government reorganization, method of electing the school board, and a ten-year financial plan.

National Institute of Public Administration.—Bruce Smith has delivered his report on Rural Police Protection in Illinois to the Illinois Association for Criminal Justice. This will be published as part of the report of the Association covering all aspects of the administration of criminal justice in that state.

"The National Institute of Public Administration" is the title of a new book by Luther Gulick dealing with the history, achievements, and progress of the National Institute of Public Administration which has absorbed and taken over the work of the Bureau and Training School and is conducting advanced courses in training and research.



The New Bedford Taxpayers' Association.—The New Bedford Taxpayers' Association has been active in trying to improve the budget procedure in New Bedford. The first thing to do was to impress the members of the city government and the people with the importance of the budget and then to improve the departmental estimates so that they would be more complete than had formerly been the custom. The departmental estimates were presented to the mayor on a form suggested by the Taxpayers' Association which was followed in so far as the records of the departments made it possible.

Unfortunately, the budget has been used more or less as a "football," having been passed back and forth between the mayor, common council and board of aldermen. The common council, after a series of hearings with the heads of the departments, made a rather unscientific cut in the budget of \$370,000. The board of aldermen recognized that some of the cuts made could not be put in force, because the budget is passed after four months of the fiscal year have gone by and they, therefore, made a reduction in the mayor's budget of \$162,000. This was finally passed. The budget being a lump sum budget, however, it was possible for the heads of certain departments to propose savings to meet the budget which would naturally be unpopular, and consequently political pressure has been brought to bear for supplementary budgets so as to bring the total of the budget up to what the mayor originally proposed.

We believe that the whole procedure, however, has been beneficial, as it has brought more popular discussion of the budget and governmental expenditures in general.

The general strike in the cotton mills, which is now in its seventh week, has already increased the expenditures for veterans' aid and the welfare department, so that the net results of departmental savings cannot be foretold. Many of the departments, however, are staying within their budgets, although the big problem of overmanned staffs has not been faced by the administration.



Philadelphia Bureau of Municipal Research.—As part of the study of municipal contracts which the Philadelphia Bureau is making as agent of the Thomas Skelton Harrison Foundation, it has prepared a report entitled "Force Account on Unit-Price Construction Contracts." The attention of the Bureau was attracted early in the study by what seemed a very unusual practice in Philadelphia's department of city transit, that of fixing the force-account percentage by bidding. Information obtained from public officials in other cities and from engineers and contractors confirmed the impression that the practice was unusual and that it was disadvantageous to the city, since it opened the way for an unbalanced bid. In the course of the study specifications from a number of other cities were gathered. The report above mentioned analyzes these specifications with respect both to the method of fixing the percentage and to a number of other practices. The department of city transit, it should be added, recently abandoned the practice of fixing the force-account percentage by bidding and has adopted the usual method, that of fixing the percentage in the specifications.

The report calls attention to the fact that one of the most striking things observed in the specifications from the several cities is the lack of uniformity. This, it is thought, increases the chance that out-of-town contractors will meet with costly surprises in the course of the work and makes it necessary for them to reflect the uncertainty in their bids. It is recommended that city officials in Philadelphia take advantage of every opportunity to promote uniformity of specifications.

Mr. Philip A. Beatty of the Bureau's staff is the author of the report. The report is printed as a publication of the Thomas Skelton Harrison Foundation. Copies of it may be obtained, free of charge, upon request to the Bureau of Municipal Research, 311 South Juniper Street, Philadelphia.

St. Louis Bureau of Municipal Research.—The St. Louis Bureau recently completed a report on the results of the first three months' experience in recording documents by the photographic method. Through the initiative and coöperation of the recorder, excellent work is being done at a considerable reduction in cost as compared with the hand and typewriter methods.

Approximately ten per cent of the documents submitted for recording are unsuitable for photographing because of unusually wide paper or colored paper and colored inks. As a large proportion of the instruments recorded are prepared by real estate firms and attorneys, the Bureau has enlisted the coöperation of the Real Estate Exchange and the Bar Association, who have informed their members as to the requirements for photographing. It is hoped that in this way the proportion of unsuitable documents can be materially reduced.

The Bureau is now engaged in the collection of the statistical information required to make an actuarial study of the police department. A police pension system of the cash disbursement type has been proposed by the police board. Retirement would be permitted on one-half salary at ages forty-seven to fifty-seven. The Bureau has repeatedly urged the adoption of an actuarial type of system. After presenting the matter to the board of estimate and apportionment that body included in the budget an amount sufficient to employ an actuary. The board employed Mr. George B. Buck, consulting actuary of New York City, and requested the Bureau to supervise the collection of the statistical information.



Schenectady Bureau of Municipal Research.—

We received numerous requests from different organizations for talks concerning our Bureau and its proposed activities. This has given us a good opportunity to place the municipal research idea properly before the people. We have had excellent coöperation from the press in this matter. In all our talks we have endeavored to sell the idea that we are not a "roving" organization, but are here to help the city administration in power to conduct the affairs of the city administration in an economical and efficient manner.

Our first work was to examine hastily the local charter and second-class cities law provisions and construct a diagram of the administra-

tive organization. We are following this with a preliminary survey of all departments in the nature of a diagnosis, in an endeavor to locate the "patient's" principal ailments before prescribing any remedies or recommending any major "operations."

We have made an analysis of the city budget, as well as a study of the trends of departmental appropriations over the past five years. This material has been embodied in the form of a short pamphlet which has been printed as *Know your City—and How It Spends Your Money*.

The administration is planning the erection of a new city hall, and will shortly have tentative plans prepared. It has been our thought that an open competition should be held for the selection of the architect. We believe this will be concurred in, but public sentiment seems to prevail for limiting the competition to local architects. We are making a survey of the present and proposed space requirements for the several departments to be housed in the new building and shall suggest to the officials a definite program of procedure to be followed in conducting such a competition, all subject to the approval of the American Institute of Architects.



Municipal League of Seattle.—One of the main objects of activity of the Municipal League of Seattle this year was the clearing up of a large indebtedness, which was a result of a city manager campaign in 1925. The finance committee of the League, under the able leadership of M. H. Van Nuys, received contributions from 119 members, totaling \$629, and also increased the current revenue of the League. By their efforts the League indebtedness was reduced by more than half.

In addition to this financial campaign, the League has continued its regular program of investigation of municipal problems. In November and December, Seattle's municipally-owned Skagit power development, where total expenditure and investment is expected to reach from seventy-five millions of dollars to ninety millions of dollars, was investigated, and recommendations made by the committee and adopted by the League, that a Skagit Engineering Commission be created, composed of competent and disinterested engineers, to study the situation and to decide the controversy which is raging in political circles, as to the advisability of building the Diablo or Haning Rock Dam

as a next step in the development of the project.

During the spring election, the candidates' investigating committee of the League examined the qualifications of the candidates for the city council and mayor, making a report which received very great publicity through the newspapers of the city. All councilmen elected had received the League's endorsement. Mrs. Landis, however, whom the League found well qualified for reelection as mayor, was defeated.

The bridge and harbor improvement bonds, which were the subject of a League report and recommended by the League, received popular approval at the spring election.

In late May, the street railway committee of the League recommended an extensive re-routing plan which would loop all street cars in the north central business district and save the city from three hundred thousand dollars to five hundred thousand dollars per year, according to estimates of experts. This report, although opposed by property interests affected, and also because of the widespread change recommended, was strongly resisted, but received the League's approval.



Toledo Commission of Publicity and Efficiency.—A supplement to the *Toledo City Journal*, published May 12, contained the financial report of the city for 1927, showing

the distribution of sources of revenue and the percentage of expenditures for various functions.

The city council passed on June 4 the mayor's transit ordinance which gives promise of solving what has been Toledo's most vexing problem for over a quarter of a century. The ordinance was carefully considered by the Commission of Publicity and Efficiency and its passage recommended. Many concessions were granted to the city in return for the prohibition of competition within a quarter-mile of street car and bus lines of the Community Traction Company.

As a result of the survey of the billboard situation which was published in the *Toledo City Journal* of June 9, the commissioner of inspection is taking steps to enforce all billboard ordinances. All boards which are not claimed and have not paid annual inspection fees by July 1, 1928, will be torn down.

The Commission prepared for the Charter Commission pension provisions for the new city charter. This proposal abolishes the two separate fire and police pension boards and sets up a single board, and makes provisions for a contributory, actuarial pension system, with the council having the final authority in raising pension rates. At present the pension boards, consisting of five city employees and the safety director, may raise their own pension without the city council's approval.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Build Subways to Decentralize, Regional Plan Advises.—The carrying out of a billion dollar subway construction program in the next fifteen years will not solve the problem of subway congestion in New York City, unless there is accomplished at the same time a spreading out of the industry and commerce now largely concentrated in lower Manhattan—this is the conclusion of an exhaustive report of the Regional Plan of New York and Its Environs on "Transit and Transportation," the first section of which has been published.

The report shows that the subways have never been able to keep pace with the demand for their use; that the building of new subways to feed the present system of city growth merely creates new congested districts, increases the riding habits of the public, and makes for more crowding of all rapid transit facilities. Instead of trying to bring more millions of workers to and from Manhattan daily, the Regional Plan says, we should bring the place of work closer to the home of the worker.

The report presents the findings and conclusions of a large corps of experts in the fields of economic research, engineering and community planning, who have for six years conducted an intensive study of the situation in New York City and its 400 neighboring cities and villages, preliminary to the drafting of a plan for the future development of this city, and the suburbs linked with it economically.

Close to three million persons enter Manhattan south of 59th Street on a typical business day, the Regional Plan reports, and approximately two million of these use the subways and elevated trains. Of this vast army approximately 1,392,000 persons come into lower Manhattan daily from north of 59th Street; approximately 1,120,000 come from Brooklyn, Queens and other portions of Long Island; 39,000 come from Staten Island; and approximately 316,000 come from New Jersey.

The report analyzes the plans contemplated or in process of execution for increasing the rapid transit facilities of Northern New Jersey, Westchester County and Long Island, and then adds:

It will be seen that the purpose of all these plans is the concentration of suburban rapid transit in the congested portions of lower Manhattan, where unquestionably the majority of the travelers now desire to go. But in so doing it would seem wise to arrange in such manner that this evil will be minimized and means afforded for the future gradual dispersion of such traffic among a multiplicity of subcenters.

As an indication of the tendency of a large part of the population to live as close as possible to subway stations, the Regional Plan's report cites the fact that 90 per cent of the population living within a half mile of subway or elevated stations are concentrated within a quarter mile of these stations. Numerous maps in the report show how closely the population follows new subways.

New York City has been a pioneer in constructing rapid transit lines through virgin and undeveloped territory, and has proved that population will follow such transportation lines promptly and intensively. There is, therefore, a great responsibility upon the shoulders of the rapid transit planners. They can do much toward directing the lines of future growth, which may lead either to increased congestion and time of travel or to dispersion of business and industry and freedom of movement, in accordance with the amount of farsightedness applied to the plans.

The danger of putting such a network of rapid transit lines through the outlying parts of New York City and through the Metropolitan sections of New Jersey as will encourage universal intensive development in those areas should be avoided. While a homogeneous business district is advantageous, residential areas should possess variety and provide for both open and close developments.

✱

Housing for the Small Wage Earner in Michigan.—The Michigan Housing Association has been organized to provide tolerable houses for workers earning less than \$1,800 a year who are now compelled to live wherever they can find the cheapest accommodations, irrespective of quality or sanitation. Realizing that any plan for the solution of this problem must function

without charity or philanthropy and without the permanent and continuous expenditure of public money, the Association nevertheless, believes that unrelated private efforts will not meet the situation. It has, therefore, proposed for discussion a plan of public credits and mass construction as a means of satisfying the housing needs of the lower income group. The plan involves the following four steps:

(1) Elimination of the present costs of financing by providing capital through public credits;

(2) Purchase of land in parcels of not less than two hundred acres, thus reducing the cost of the land;

(3) Purchase of construction materials in large quantities sufficient for not less than a thousand homes;

(4) Building programs on a mass scale of not less than one thousand homes per undertaking.

Under the plan, regional home loans commissions will be organized to administer the financing, and housing corporations will purchase the land and build the houses. Officers of both bodies will be appointed by the public authorities.

As indicated above, the plan is at present merely a proposal for discussion. It was presented in detail by Dr. S. James Herman at a recent meeting of the Michigan Academy of Science.

✱

The National Committee on Municipal Standards recently created by the National Municipal League, the Governmental Research Association, and the International City Managers' Association, the personnel of which was announced in these columns in the April issue, held its first meeting on May 21. A leaflet is now being prepared setting forth the organization of the committee, its purpose, the scope of the work to be undertaken and the general method of procedure. A copy will soon be mailed to all members of the three sponsoring organizations, inviting their cooperation in this important undertaking. Col. H. M. Waite was elected chairman of the committee, Dr. C. A. Beard, vice chairman, and C. E. Ridley secretary, with headquarters at 261 Broadway, New York City.

A Subcommittee of the Duluth Charter Commission has reported in favor of amending the municipal charter to provide for the council-manager form of government recommending that, in many important respects, the draft of the necessary amendments follow closely the appropriate sections of the Model Charter of the National Municipal League. The common council is to consist of fifteen members with overlapping terms, one member from each of the eleven districts to be formed, and four members at large. The mayor is to be the official head of the city and to preside at meetings of the council. He is to receive a salary four times as large as that of the councilmen. The council is to be the legislative body of the city government but is to be prohibited from interfering in the city manager's administration of the city's business. The report follows the standard provisions appearing in the League's Model Charter, and if incorporated in amendments to the Duluth charter will provide the city an excellent basis for sound administration.

✱

Non-voting in London.—At the last election for the London County Council only 38 per cent of the electors voted, and some Englishmen are lamenting the small number of citizens who turn out at the polls. Obviously the slacker voter is an internationalist. According to a writer in the *London Nation and Athenaeum*, the dull monotony of triennial elections is one cause of the voters' indifference.

✱

The Toledo Charter Commission is considering the "fixed quota" plan of proportional representation. Under it, one councilman would be chosen for every seven thousand votes cast. Although it has been occasionally discussed, none of the American cities using the Hare plan of proportional representation has adopted the fixed quota.

✱

Wayne Heydecker has resigned as the secretary of the Westchester County Planning Federation. Upon his resignation he was immediately promoted to vice president. Wells P. Wise of White Plains was appointed to replace Mr. Heydecker as secretary.

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A MODEL MUNICIPAL BUDGET LAW

SUBMITTED BY
THE COMMITTEE ON A MODEL MUNICIPAL BUDGET
LAW OF THE NATIONAL MUNICIPAL LEAGUE

CARL H. PFORZHEIMER, *Chairman*
C. E. RIGHTOR, *Secretary*

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THE COMMITTEE ON A MODEL MUNICIPAL BUDGET LAW

OF THE
NATIONAL MUNICIPAL LEAGUE

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INTRODUCTION

GOVERNMENT today more than ever before needs careful planning. This is true no less for the smallest school district and drain district than for the largest city or county. Such planning involves consideration of the services to be performed, their cost, and the means of financing them. Indeed, such financial planning has always been necessary to assure citizens and taxpayers stability and economy in the conduct of governmental services performed in their behalf. But it has not always obtained, and "government by deficit" has been commonplace among many political units.

With the increasing cost of government, due to more extensive demands of the citizens and constant expansion of public activities to meet these demands, the need has been emphasized and intensified for planning. A real plan is realized in the budget. And because the budget is universal in its application, involving both the field of activities and the citizens' contribution for their cost, it is one of the foremost problems in government.

In the United States, the first definite budget work was begun in New York City in 1906, in the department of public health. Since that day, the budget idea has spread to most cities and states, until, in 1921, the federal government adopted a law instituting budgetary procedure.

The reason for the model budget law for local governments is that it is felt that each state may desire that all its political subdivisions should definitely recognize certain financial responsibilities and be required to outline their plans in a manner which will be of the widest possible information and interest to those receiving the benefits of such

service and paying the cost. Upon the latter, depends the ultimate success of government.

The law is drafted in the hope that state legislatures will find it completely suggestive as to the elements of a sound and adequate budgetary procedure. It definitely recognizes and provides for three phases of the budget,—the preparation, adoption, and execution. It is believed that, in event there are constitutional or other inhibitions which would make impossible the acceptance of any of these steps, the remaining sections can be adopted.

The Model Municipal Budget Law is a companion to the Model Bond Law, which was promulgated by the National Municipal League in February, 1927, to outline sound practices relative to borrowing by governments for permanent improvements. The committee on the budget law comprises the same chairman, Mr. Pforzheimer, with some changes in membership. The final draft is the result of several sessions of the committee as well as extensive correspondence upon every phase of the subject.

The regulation of temporary loans, while usually identified with current financing, is omitted in the budget law with the thought that it requires separate consideration.

The chief features of the model law are:

1. All undertakings and financial transactions of every local government shall be included in the budget for the fiscal year.
2. The budget document comprises three parts: First, a message and summary, with comparisons with the past and current year, prepared by the budget-making

- authority; second, detailed estimates of expenditures and revenues with pertinent financial and other data, such as bonded and authorized debt, debt limits and margin, etc.; and third, drafts of the appropriation, revenue and borrowing measures.
3. The total proposed expenditures shall not exceed the estimated means of financing them.
 4. Departmental estimates shall go to a budget authority to permit preparation of a coordinated plan of public services, which is then submitted to the appropriating authority for revision and adoption, these steps being according to a definite time schedule.
 5. The budget shall be adopted at least ten days prior to the beginning of the fiscal year.
 6. Public hearings shall be arranged before final action by the appropriating body.
 7. An appropriation ordinance shall be enacted to make the budget operative.
 8. Appropriations for operation and maintenance are made in lump sum, and a plan of quarterly allotments provided to assure the maximum of economy in the execution of the budget.
 9. Transfers by the appropriating body are permitted within funds during the last two months of the year, if approved by the budget-making authority.
 10. Temporary loans for emergencies are possible when properly approved.
 11. State supervision is provided, to assure that debt service and deficits are adequately provided for.

C. E. RIGHTOR, *Secretary*.

July, 1928.

MODEL MUNICIPAL BUDGET LAW

PREPARED BY NATIONAL MUNICIPAL LEAGUE COMMITTEE ON MODEL
BUDGET LAW

CARL H. PFORZHEIMER, *Chairman*

C. E. RIGHTOR, *Secretary*

Section 1. Entitlement of act. This act shall be known and may be cited as "The Local Government Budget Act of"

Section 2. Application. This act shall apply to all subdivisions of the state which have power to appropriate money or levy taxes, including ¹. heretofore or hereafter created. For the purpose of this act, any such subdivision shall hereinafter be designated and referred to by the term "local government."

Section 3. Fiscal year. The fiscal year shall begin on the day of and end on the day of² Such year shall con-

¹ Here should be inserted the several kinds of subdivisions of the state, such as cities, counties, parishes, school districts, townships, boroughs, villages, and special and metropolitan sewer, park, road and other districts, etc. Each state has its own designation of its local governmental units.

The committee proposes that the budget law should be applicable to every subdivision of the state, and has outlined the essentials of a budget for the largest city as well as the smallest school or other district. It is appreciated, however, that states may care to limit its application, initially at least, to only those subdivisions having a considerable population, say cities of the first and second class, to counties and other units having a definite minimum population, etc.

² The fiscal year commonly begins on January 1, or July 1; for school districts it is sometimes provided that the fiscal year varies from that of other subdivisions. If uniform within the state, the fiscal year will facilitate the central control and uniform reporting by the state, and also the compilation of the federal statistics.

The fiscal year should be in accord with the tax

stitute the budget year of the local government.

Section 4. Nature and scope of the budget. The budget for any local government shall present a complete financial plan for the ensuing budget year. It shall set forth all proposed expenditures for the administration, operation, and maintenance of all offices, departments, boards, commissions, and institutions, including publicly owned and operated utilities and enterprises; the actual or estimated operating deficits from prior years; all interest and debt redemption charges during the budget year; expenditures for capital projects to be undertaken and/or executed during the budget year, including expenditures for local improvements which may be paid for in whole or in part by special assessments.³ In addition thereto, the

levying and collecting period. Taxes are levied for a definite time, usually a year, and the basis for the levy fixed a few months or weeks prior to the first date of payment. The fiscal year should begin with the first date of payment, or a short time before or after this date. Thus, the expenditures for the year will be concurrent with the major source of revenue to finance them. This condition simplifies the financial procedure, and, therefore, the budgetary procedure.

³ It is the sense of the committee that the budget should present a complete plan of all the expenditures of the local government, of every nature,—such as current, capital, debt, local improvement, and special or trust. It is agreed, however, that this complete expenditure statement may not be feasible in all cases, but it should be outlined so far as possible. If it is deemed impossible, for example, to include all

budget shall set forth the anticipated income and other means of financing the proposed expenditures for the fiscal year.⁴

Section 5. The budget document. The budget document, setting forth the financial plan of the local government for the ensuing budget year, shall embrace three parts, the nature and contents of which shall be as follows:

Part I shall consist of a budget message prepared by the chief executive or other budget-making authority which shall outline the fiscal policy of the local government for the budget year, describing in connection therewith the important features of the budget plan; it shall also embrace a general budget summary setting forth the aggregate figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income and other means of financing the budget for the ensuing fiscal year, contrasted with the corresponding figures for the last completed fiscal year and the year in progress.⁵ The

special assessments, such as the projects initiated by the property owners, at least the portion of all special assessment work to be paid by the city should be included.

With the full operation of such a comprehensive budget, the consolidated report of the financial transactions of all kinds for any year would be definitely related to, and be comparable with, the budget plan for that year.

⁴ The income side of the budget would include, in general, all those means of financing the classes of expenditures indicated in footnote 3, namely, taxes, special assessments, borrowings (long-term, exclusive of temporary), revenues of publicly owned and operated utilities and enterprises, moneys received from other governmental units, surpluses, and miscellaneous revenues.

⁵ The form of the general budget summary should be such as to show the character of expenditures and the method of financing; that is, the expenditures should be divided as between current expenses, acquisition of properties, and

general budget summary shall be supported by explanatory schedules or statements, classifying the expenditures contained thereon by organization units, objects, and funds, and the income by organization units, sources, and funds.

Part II shall embrace the detailed budget estimates both of expenditures and revenues as provided for in section 6 of this act; it shall also include statements of the bonded indebtedness of the local government, showing the debt redemption requirements, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity; in addition thereto, it shall contain any statements relative to the financial plan which the chief executive, or other budget-making authority, may deem desirable or which may be required by the legislative or other appropriating body.

Part III shall embrace complete drafts of the budget bills, that is bills required to give legal sanction to the financial plan when adopted by the legislative or other appropriating body. These bills should include an appropriation bill, authorizing by spending agencies and by funds all expenditures of the local government for the budget year, and such other bills as may be required to provide the income necessary to finance the budget.

debt redemption, while the means of financing should be shown as surplus, revenues, borrowings for permanent improvements, and sales of properties (capital assets). It is desirable in many jurisdictions, on account of local legislation relative to funds, to show both expenditures and means of financing in parallel columns according to funds, or when the funds are too numerous, according to classes of funds, such as, general fund, special expense funds, loan funds, sinking funds, and trust funds. This information relative to funds may be shown either on the general budget summary or on the supporting schedules, preferably on the latter.

Section 6. Preparation of the budget.

At least sixty (60) days prior to the beginning of the fiscal year, all departments, offices, boards, and other spending agencies of each local government shall prepare and submit to the budget-making authority thereof estimates of their expenditure requirements and their estimated revenues for the forthcoming budget year, compared with the corresponding figures of the last completed fiscal year and the estimated figures of the year in progress. The expenditure estimates shall be classified to set forth the data by funds, organization units, character, and objects of expenditure; the organization units may be subclassified by functions and activities at the discretion of the budget-making authority.⁶ The revenue estimates shall be classified so as to show the receipts by funds, organization units, and sources of income.⁷

The budget-making authority shall review the estimates, altering, revising, increasing or decreasing the items of said estimates as it shall deem necessary

⁶ The character classification makes a distinction between expenditures for current operating expenses and those for the acquisition of property. The classification by objects distinguishes the various services and things purchased by the local government.

Some members of the committee believe that the itemization of estimates should be by sub-functions or activities, as well as by departments or other strictly organization units, in order that the budget may be considered in terms of services to be undertaken; also that the expenditure estimates for each activity should be expressed, so far as possible, in terms of units of service to be performed, with the unit cost of same. Development of this idea, they believe, constitutes a most important feature of budget preparation.

⁷ It is highly desirable that the budget information be prepared according to a uniform classification of accounts, both for revenues and for expenditures, as prescribed by the budget-making authority. A few states have already adopted such a classification for the use of the local governments within their jurisdictions.

in view of the needs of the various spending agencies and the probable income of the local government. Such authority shall then prepare a budget in the form required by the provisions of section 5 of this act, and it shall transmit this budget to the appropriating body of the local government at least thirty (30) days before the beginning of the fiscal year.

For the purpose of this act, the budget-making authority in cities having the mayor-council form of government shall be the mayor, in those having the commission-manager form of government shall be the manager, and in those having the commission form of government shall be the commissioner of finance; provided, however, that such authority in any of said cities may be the agency which shall by law or by charter be empowered to formulate the budget. The budget-making authority of any city government shall have the power to appoint or designate, in its discretion, an official, to be known as the budget officer or the budget director to supervise or perform the work of preparing the budget.⁸ In each county, having an executive or administrative head of the government, said head shall be the budget-making authority; in each county, without an executive or administrative head, the board of commissioners (or supervisors) shall designate or appoint an officer as the budget-making authority or, in lieu thereof, one of its committees to act in the same capacity.⁹ In each school district,

⁸ It is desirable that the larger local governments have such officers. Several cities now have budget directors, who not only assist in preparing and in executing the budget, but make investigations and recommendations in connection therewith. The importance of the budget-director of the national government is becoming universally recognized.

⁹ If the board of commissioners (or supervisors)

having a board of education with independent fiscal powers, said board shall designate its chief administrative officer as the budget-making authority. In each village, township, or other district, with independent fiscal powers, the appropriating body shall designate some officer of the government to be the budget-making authority.¹⁰ In every local government, the appropriating body shall be the council, commission, board of supervisors, or other board or body designated by law or by charter to perform the legislative or tax levying functions of the government.

Section 7. Budget hearings. Final action shall not be taken on the proposed budget in any local government until at least one public hearing has been held thereon after ten days' notice. It shall be the duty of the appropriating body to arrange for and hold such hearing. The budget, when submitted by the budget-making authority to the appropriating body, shall be published, advertised, or otherwise made available for public inspection at least ten (10) days prior to the date set for the hearing.

Section 8. Adoption of the budget and enactment of the budget bills. The appropriating body shall consider the budget as submitted to it by the budget-making authority of such government. Such body may revise, alter, increase, or decrease the items contained in the budget; provided, however, that when it shall increase the total proposed expenditures of the

designates an officer, he should be either the auditor or the clerk; if it designates one of its committees, then this committee should have the assistance of some officer, as the auditor or the clerk, in the preparation of the budget. In the large counties, a special budget officer may be appointed by the board to perform this function.

¹⁰ It is desirable that this person should be the financial officer; however, one or more members of the legislative or appropriating body may serve in the capacity of budget-making authority.

budget, it shall also increase the total anticipated income, so that the total means of financing the budget shall, at least, equal in amount the aggregate proposed expenditures.

At least ten (10) days before the beginning of the fiscal year, the appropriating body shall adopt the budget and shall finally enact the appropriation bill and such other bills as may be required to make the budget legally effective. The several amounts specified in the appropriation bill as finally enacted shall be and become appropriated in the amounts and for the several departments, offices, boards, and other spending agencies of the local government for the fiscal year to which the budget applies. The income of the local government as estimated in the budget and as provided for by the tax-levying ordinance and other revenue and borrowing acts or ordinances, shall be and become applicable in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriation act or ordinance.

Within ten (10) days after final action has been taken on the budget bills by the appropriating body, it shall make public, by publication or otherwise, a summary statement which shall be in the form of the general budget summary provided for in section 5 of this act. Said statement shall show, in addition to the figures set forth in the general budget summary, the changes made by the appropriating body in the course of its review, revision and adoption of the budget. The appropriating body shall also make public, by publication or otherwise, at this time, the tax rate necessary or estimated to be necessary to finance the budget as adopted.

Section 9. Failure to make appropriations: amounts deemed appropriated. If at the termination of any

fiscal year, the appropriations necessary for the support of the local government for the ensuing fiscal year shall not have been made, the several amounts appropriated in the last appropriation act or ordinance for the objects and purposes therein specified, so far as the same shall relate to the operation and maintenance expenses shall be deemed to be reappropriated for the several objects and purposes specified in said last appropriation ordinance; and until the appropriating body shall act in such behalf the treasurer or chief financial officer shall make the payments necessary for the support of the local government on the basis of the appropriations of the preceding fiscal year.

Section 10. Form of the appropriations. The appropriation bill, provided for in section 5 of this act, shall be drawn in such form as to authorize only lump sum appropriations to meet the expenditure needs of the various spending agencies of the local government. For the operation and maintenance expenses of each department, office, board, or other spending agency, there shall be a single appropriation, which shall be allotted as provided for in section 11 of this act before becoming available for expenditure. Appropriations for the acquisition of property shall be in such detail under each spending agency as the budget-making authority shall determine; provided, however, that such appropriations shall not be segregated into greater detail than the major classes, or projects, for which they are expendable.

Section 11. Allotments. Immediately before the beginning of the fiscal year, the budget-making authority of the local government shall require the head of each spending agency to submit a work program for the budget year, which program shall include all appropriations for operation and maintenance expenditures and for the acquisi-

tion of property, and it shall show the requested allotments of said appropriations for such spending agency by quarters for the entire year.¹¹ The budget-making authority shall review the requested allotments in the light of the work program of the spending agency concerned, and such authority shall, if it deems necessary, revise, alter or change such allotments before approving the same. The aggregate of such allotments shall not exceed the total appropriations available to said spending agency for the budget year. The budget-making authority shall transmit a copy of the approved allotments to the head of the spending agency concerned and also a copy to the controller, or other chief financial officer, of the local government. The controller, or other chief financial officer, shall authorize all expenditures to be made from the appropriations on the basis of such allotments, and not otherwise.

The head of any spending agency of the government, whenever he shall deem it necessary by reason of changed conditions, may revise the work program of his agency at the beginning of any quarter during the budget year and submit such revised program to the budget-making authority with his request for a revision of the allotments for the remaining quarters of the budget year. If, upon a reexamination of the work program, the budget-making authority shall decide to grant the

¹¹ The proposed expenditures for the acquisition of property, such as land, buildings, new construction, and major equipment, should be set up in the work program separately from those for the operation and maintenance expenses of the spending agency. The appropriations for properties should be allotted by projects according to the quarterly periods of the budget year.

Several city managers require allotments by months, but it is thought that the quarterly basis is sufficient for purposes of administrative control.

request for a revision of the allotments, the same procedure, so far as it relates to review, approval, and control, shall be followed as in making the original allotments.

In order to provide funds for possible emergencies arising during the budget year in the operation and maintenance expenditures of the various spending agencies of the local government, the budget-making authority may require the head of each spending agency, in making the original allotments, to set aside at least 5 per cent of the total amount appropriated as a reserve. At any time during the budget year, this reserve, or any portion of it, may be returned to the appropriation to which it belongs and be added to any one or more of the allotments, provided the budget-making authority shall deem such action necessary, and shall notify the controller, or other chief financial officer, of such action; any unused portion thereof shall remain at the end of the budget period as an unexpended balance of appropriation.¹²

Section 12. When contracts and expenditures are prohibited. No officer, department, board, commission or other expending agency shall, during a fiscal year, expend or contract to be expended any money or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money for any of the purposes for which provision is made in the appropriation ordinance in excess of the amounts appropriated in said ordinance, for such officer, department, board, commission or other expending

agency, or purpose, for such fiscal year. Any contract, verbal or written, made in violation of this section shall be null and void as to the local government, and no moneys belonging thereto shall be paid thereon; provided, however, that nothing herein contained shall prevent the making of contracts for governmental services for a period exceeding one year, but any contract so made shall be executory only for the amounts agreed to be paid for such services to be rendered in succeeding fiscal years.

Section 13. Transfer of appropriations. The appropriating body of any local government shall have the power to authorize the transfer within the same fund of any unencumbered appropriation balance or any portion thereof from one spending agency under its jurisdiction to another; provided, that such action shall be taken only on the recommendation of the budget-making authority, and only during the last two months of the fiscal year.

Section 14. Additional appropriations and temporary loans. The appropriating body may, during a fiscal year, make additional appropriations or increase existing appropriations to meet emergencies such as epidemics, floods, fires or other catastrophies, the funds therefor to be provided from unappropriated revenues, if any, or from temporary loans. Such temporary loans, when made, shall be approved by a two-thirds' vote of the legislative or appropriating body of the local government.

Such temporary loans shall be repaid at an annual rate equivalent to not less than two mills upon the assessed valuation of real property.¹³

¹² It is the opinion of the committee that very small local governments, spending, say, twenty thousand dollars or less each year, may get along without the allotment system. But for larger local governments, the majority of the committee feel that the allotment system should not be optional, if the most modern and effective method of budgetary control is to be followed.

¹³ The tax levy of two mills herein provided is based upon the assumption that the legal basis of assessment of real property is 100 per cent of true or full cash value; for those states that have a legal basis of valuation other than 100 per

Section 15. State supervision. The budget-making authority shall, on or before the time of transmitting the budget to the appropriating body of the local government, transmit a copy thereof to the state officer (auditor, controller, or other officer charged with the supervision of local finances) who shall have power and whose duty it shall be to review the same with respect to the sufficiency of the appropriations for the payment of sinking fund requirements, payment of principal and interest on public debt, and payment of any deficit or overexpenditure from the preceding fiscal year or years. In the event that such state officer shall deem appropriations for any or all of said purposes to be insufficient, he shall certify to the appropriating body of the local government the amount whereby he deems it necessary to increase the appropriations for such purposes and it shall be the duty of said appropriating

body to make such increases of appropriations, together with corresponding increases of revenues as required by section 8 of this act.¹⁴

Section 16. Construction of act. If any portion of this act shall be declared unconstitutional, the remainder shall remain in force, and the portion declared unconstitutional shall be excinded.

Section 17. Former laws superseded. All acts and parts of acts, general or special, to the extent that they relate to the subject matter of this act, are superseded by this act; provided, however, that acts and proceedings heretofore done or taken by any local government or the voters thereof, or any board of officers thereof, pursuant to acts or parts of acts superseded by this act shall have the same force and effect as if done and taken pursuant to this act, and only subsequent proceedings shall be taken as provided in this act.

cent of true and full cash value, a reasonably prompt repayment of such loans would dictate a readjustment of the two-mill levy accordingly.

This section does not include provision for temporary loans in anticipation of revenues from taxation or for other purposes other than emergencies. It is believed that there should be definite regulations in other sections of the state laws governing the incurrence, evidences of, and payment of such temporary loans. It is the sense of the committee that this problem requires legislative consideration independent of budgetary procedure.

¹⁴ The Model Bond Law submitted by the Committee of Municipal Borrowings of the National Municipal League contains in section 22 a provision for filing with the state auditor annually complete statements as to outstanding bonds, sinking funds, etc., and additional information prior to each separate bond issue. In states where similar functions are performed by some other state officer, the title of such officer should be inserted. In states where complete information of the nature just mentioned is not required to be filed with some state officer, this section may be omitted.

